UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/1992/14/Add.1 (Part II)
26 May 1992

ARABIC/ENGLISH/FRENCH ONLY

Substantive session of 1992
29 June-30 July 1992
Item 11 of the provisional agenda*

REGIONAL COOPERATION

Second Industrial Development Decade for Africa

Note by the Secretary-General

Addendum

Programme for the Second Industrial Development Decade for Africa (1991-2000)

Self-sustainment through industrialization

Volume II

Subregional and regional programmes

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* E/1992/100.

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INTRODUCTION

1. It will be recalled that during the preparatory phase of the programme for IDDA-1, the three Secretariats also prepared subregional integrated programmes in which priority projects were identified as well as the sponsoring countries. These programmes were adopted at subregional meetings held in Addis Ababa, Ethiopia in November 1983 for Eastern and Southern Africa; in Abidjan, Côte d'Ivoire in December 1983 for West Africa; in Bangui, Central African Republic in February 1984 for Central Africa; and, in Tunis, Tunisia in March 1984 for North Africa.

2. With the economic difficulties in the 1980s, as outlined earlier, and taking into account the decision of the Conference of African Ministers of Industry at its eighth meeting in September 1986 in Bujumbura, Burundi, to call for an independent mid-term review of IDDA-1 on the basis of which a second IDDA could be proclaimed, the integrated subregional programmes were revised between 1988 and 1991. For Eastern and Southern Africa, West Africa, and Central Africa, the Economic Commission for Africa prepared, for UNIDO, the revised programmes for the respective subregions which were reviewed at subregional meetings in Harare, Zimbabwe (October - November 1988), Dakar, Senegal (October - November 1989), and Bamenda, Cameroon (November - December 1989), respectively.

3. Subsequently, the subregional programme for Eastern and Southern Africa was revised in 1991 by UNIDO, as well as by a working group of the Preferential Trade Area comprising of UNIDO, ECA the Commonwealth Secretariat and selected member States of the subregion. The revised programme was then reviewed at a subregional meeting held in March 1991 in Kampala, Uganda. As for North Africa, the initial integrated programme was revised by UNIDO in 1988 and 1990, and revised at subregional meetings convened by UNIDO and ECA-MULPOC of North Africa, in Tangiers, Morocco (May - June 1988), and in Tunis, Tunisia (October 1990), respectively.

4. The subregional components of the programme for IDDA-2, summarized in the present document are mainly based on the above revised programmes. Moreover, they have been discussed and updated with the relevant subregional organizations. Naturally they are not ends in themselves. In each subregion, they should be supported by other equally important measures. Paramount among such measures are the political will of the governments in each subregion and the democratization of political, social and economic activities in order to release the potential of the populations

concerned in a broad context of the subregion as a whole. The success of the subregional programmes for the second IDDA will also depend on the efficient utilization of existing regional development institutions such as the ECA and its specialized institutions, the African Development Bank (ADB) and the regional programmes of the United Nations agencies.

5. While the countries included in each of the subregions are fairly well known, it is pertinent to caution that, in some cases, certain subregions contain countries that do not traditionally belong to these subregions. Thus, for example, is the case for Rwanda and Burundi which, while belonging to the Central African subregion, they are also included in Eastern and Southern Africa due to their membership in the Preferential Trade Area of Eastern and Southern Africa (PTA). The same case applies to Angola and Mauritania. Thus, for the four subregional programmes elaborated in this volume the following subregional membership is taken to prevail:

Central Africa : Cameroon, Central African Republic, Congo, Chad, Gabon, Angola, Sao-Tome and Principe, Equatorial Guinea, Burundi, Rwanda and Zaire.

Eastern and Southern Africa : Angola, Botswana, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

North Africa : Algeria, Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia.

West Africa : Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

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PART I : CENTRAL AFRICA

I. EVALUATION OF THE CENTRAL AFRICAN SUBREGION'S INDUSTRIAL CO-OPERATION DURING THE FIRST DECADE

A. Concepts, Principles and Strategies of the First IDDA

6. The programme for the Industrial Development Decade for Africa for the period 1980-1990 was formulated with a view to redressing the structural weaknesses of the prevailing industrialization pattern of Africa and making the industrial sector the engine of growth of African economies and as supplier of essential inputs to all socio-economic sectors and as user or processor of their outputs. In translating these aspirations into concrete terms, the Heads of State of Central African Countries signed on 18 October 1983 the Treaty instituting up the Economic Community of Central African States (ECCAS) with the twin principles of self-sufficiency and self-sustainment as their main objectives. In addition, the industrial co-operation chapter of the Treaty underlines the importance of the integrated industrial development of the subregion and recommended that member States should:

(i) harmonize policy measures for stimulating industrial development by gradually establishing a homogenous industrial environment;

(ii) promote the establishment of large industrial units of a community character, using domestic factor inputs with a view to reducing over-dependence on external forces and factors;

(iii) distribute Community projects in a balanced and harmonious manner among all member States; and

(iv) create subregional training and further training Centres at all levels of skills to satisfy their personnel requirements in industry, trade and technology.

7. The countries of the ECCAS subregion in general adopted import substitution policies and strategies shortly after their independence. The objective was to enable them to limit their imports of essential commodities and to reduce their dependence on the former metropolitan powers. Experience, however, has shown that the situation in the subregion more than 25 years after the introduction of those policies and strategies has not seen much improvement. In actual fact, those strategies resulted in light industries being set up with total disregard for the strategic core

industries. Member States of the ECCAS subregion, therefore, have to rely more and more on increasing imports of machinery and equipment, spare parts, raw materials and other intermediate consumer goods as well as skilled labour.

B. Priority Areas

8. As reflected in both the Treaty and Protocol X on industrial co-operation, the Community accords high priority to industry. The main thrust lies in the establishment of multinational industries based on the exploitation of local resources so as to stimulate collective economic development. The priority sub-sectors, which are the metallurgical, engineering, chemical, construction materials and agro-industries, cannot be set up without sustained industrial co-operation because none of the countries of the subregion possesses all the natural, financial and human resources or sufficient technological capabilities to ensure independent development.

9. While the Treaty and Protocol X on industrial cooperation captures the overall priority areas for the subregion, it is pertinent to point out the priority areas that are more or less specific to the other two organizations of the subregion namely UDEAC and CEPGL. UDEAC as a Customs and Economic Union focuses on harmonisation of policies especially as regards industrialization, agriculture, transport and telecommunications, natural and human resources and science and technology. For CEPGL which has more global objectives including cooperation in the social, economic, political and cultural fields, the priority areas include legal, customs, health, energy, industry and communications. For industry, the main focus of the strategy is on institutions and policy harmonization. To this end, an industrialisation master plan for the CEPGL subregion was envisaged.

C. Results and Constraints

10. As a whole, the progress made in the implementation of the integrated industrial promotion programme for the first decade was very limited. Out of 41 strategic core projects approved since the meeting of Bangui, Central African Republic in February 1984, only three have been completed representing an implementation rate of a mere 7.32 per cent. Two other projects are under implementation thus implying that as many as 36 projects are merely at the stage of project idea or at that of study. With regard to the support projects, it should be pointed out that the countries of the subregion as well as the regional and subregional organizations have been working on some twelve projects contained in the revised programme.

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11. The low implementation rate is partly attributable to the failure to set up appropriate co-ordination mechanisms for ensuring the efficient implementation of the projects selected and to the inadequacy of the technical and financial support provided by the sponsoring countries and the subregional, regional and international organizations. Furthermore, the process of defining and selecting projects for inclusion in the category of core projects was not clear at the outset. It was not enough to draw up a list of criteria for selecting multinational industrial projects. Some of them had not been carefully thought out before submission or, once submitted, had not been thoroughly studied. Also little regard was paid to the requirements of economic integration and its implications, as well as problems of implementation of many of the projects.

12. Another important problem was that although the projects submitted at the subregional meetings on the promotion of intra-African industrial co-operation were contained in the national plans of a number of sponsoring countries, there was no further follow-up or consultations for their implementation. Indeed the policies and strategies adopted at the national level were not directly linked to the subregional programme or to its objectives. Some of the projects selected are regarded as national projects and do not therefore fit into a community context. The general trend was for the countries to develop their own natural resources on a priority basis, their objective being, first and foremost, to individually promote the industrialization of their own countries. This gives rise to marketing problems because of the narrowness of the national markets and duplication of projects. One example is the Congo oil refinery which finds itself confined to the national market because of the lack of information on oil refinery existing already in Gabon and Cameroon.

13. The unsatisfactory preparation of strategic core projects in the subregion was also due to the lack of human resources capable of identifying community projects and evaluating them before their submission to the decision-making bodies. As a result, the countries of the subregion are still dependent on foreign expertise for the scientific, technical and managerial capabilities needed to make more thorough project studies, ensure efficient implementation, manage the enterprises and provide the maintenance of the machinery and equipment.

14. The programme of the ECCAS subregion has also achieved poor results on account of the absence of financial resources for the feasibility studies and funding project implementation. The cost of such activities is very high and is often beyond the means of individual member States.

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15. A general lack of efficient organization and co-ordination among the Community bodies in ECCAS, UDEAC and CEPGL that are responsible for multinational industrial projects, and the governmental authorities concerned with industrial development at national level, is also a major obstacle to the development of subregional industrial co-operation. There is poor exchange information among the countries of the subregion thus resulting in the duplication of research and development activities. Generally, the industrial policies and strategies adopted under the auspices of UDEAC and CEPGL have also been ineffective in strengthening industrial cooperation and ECCAS which is established recently does not yet succeed to set up a mechanism to co-ordinate industrial activities in the subregion. More often than not, national and subregional priorities are contradictory.

16. The smooth operation of projects and the marketing of products at the level of the subregion necessitated a strong physical infrastructure especially road networks and other means of communication. However, most of the roads are in a bad state and need repairing. Furthermore, the telecommunications system does not work properly in the subregion.

D. Linkages with the Second IDDA

17. Bearing in mind the above constraints that hampered the implementation of the integrated subregional industrial promotion programmes for the first decade, and on the basis of appropriate criteria some multinational industrial projects which were not implemented during the first decade could be selected for implementation during the second IDDA. This will constitute one of the major linkages between the first and second IDDA. The list of selected projects could be revised periodically so as to include new projects.

18. In addition, some subregional institutions such as the Development Bank of Central African States (BDEAC), the Subregional Institute for Statistics and Applied Economics (ISEA) and the Multisectorial Institute of Applied Technology for Planning and Evaluation of Projects (ISTA) in the UDEAC area, and the Development Bank of the Great Lakes States (BDEGL), the Great Lakes Energy (EGL) and the Agricultural and stock-breeding Research Institute (IRAZ) in the CEPGL area should be strengthened so as to set up industrial cooperation through harmonization of the industrial policies of member States, equitable and mutually profitable sharing of community projects and, on a more general basis, coordinating of the development programmes for different productive sectors. Also, revision should, in the light of the concepts, principles and strategies of the second IDDA, be made of a number of instruments and decisions such as the single tax and the joint agreement on investment within UDEAC area; the Community

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investment code; the convention of the free movement of people, goods, services, and capital; and the right of establishment within CEPGL area as it was underlined so many times that present fiscal and customs policies do not favour subregional integration and make the subregional projects illusory.

II. SUBREGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME FOR THE SECOND IDDA

A. Status of Industrial Development in the Subregion: Analysis of Sectoral and Sub-sectoral issues

19. The manufacturing sector of the subregion recorded a declining growth performance of its manufacturing value added during the period 1985-1987 from 4.5 per cent in 1985 to 1.4 per cent in 1987, although this trend was reversed in 1989 when the subregion's MVA rose by 2.2 per cent. These rates are far below the target of 9 per cent set up by African countries for the first IDDA, which would enable the region to achieve a minimum share of 1.4 per cent of the world industrial production by 1990.

20. The poor performance of the manufacturing sector is due to several factors. Prominent among them are the structural weaknesses, especially

(i) the lack of domestic factor inputs;

(ii) the narrowness of the national markets aggravated by the lack of competition in the international market constrains the expansion and the diversification of the sector;

(iii) the decreasing rate of utilization of installed capacity;

(iv) lack of foreign exchange to import spare parts, replacement equipment and expertise;

(v) diminishing demand of locally manufactured goods due, inter alia, to trade liberalization policies advocated by orthodox structural adjustment programmes; and

(vi) the poor performance of the agricultural sector and subsequently, the reduction in agricultural raw materials for agro-industries which constitute the bulk of the manufacturing sector.

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21. The contribution of the manufacturing sector to GDP has increased from 4.9 per cent in 1980 to 10.0 per cent in 1986. It declined and remained constant at around 6.6 per cent during the period 1987-1989. Overall, these figures show that the manufacturing sector has remained a relatively marginal sector since 1960. The challenge for the subregion is how to ensure that in future the sector is revitalized so that it can play an important role in the transformation of the economies of the subregion.

22. Regarding the structure of the manufacturing sector of the subregion, it is dominated by the food and agro-based industries sub-sector which contributed for more than 60 per cent of the manufacturing value added during the 1980s. The production of the sub-sector (beer, tobacco, soft drinks, bakery and confectionery products) is basically for the domestic market. Export production is limited to the processing of agricultural products such as cocoa, coffee, cotton, tea, wood, skin and hides. Production capacity has not increased noticeably in recent years, with the exception however of beer brewing which is the most dynamic industry in the subregion.

B. Objectives

23. Like the other subregions, the Central African subregion continues to emphasize the importance of industrial development to achieve its objectives of economic transformation and self-reliance as set forth in the Lagos Plan of Action, taking into account the constraints outlined above. To this effect, the main objectives of the industrial development programme of the Central Africa subregion for the second IDDA are to:

(i) promote independent and self-sustained industrial development in the member States based mainly on the upgrading and use of their local resources;

(ii) restructuring of their economies with a view to achieving collective self-reliance;

(iii) meeting the essential needs of the populations of the Community and improving their living standards; and enhancing complementarity and economic integration with a view to reducing external economic dependence.

24. Furthermore, in order to succeed, emphasis should be placed on the need to protect import-substitution and vulnerable industries of the subregion, taking into consideration the competitiveness of their products in terms of standardization and quality control. Production should, however, be geared towards meeting the demands

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of the local market, although this may, in some cases, limit the benefits of economies of scale and compel some industrial plants to operate below their capacity, since national markets may be too limited. It should also be understood that import substitution is not a panacea for all ills. If not implemented cautiously, it may lead to a net outflow of resources and an increase of the debt burden, and could fail to promote upstream and downstream linkages with other economic sectors.

25. Subregional co-operation demands a basic structural change and the abandonment of a fragmentary approach to import-substitution policies. Indeed, since none of the countries of the subregion possesses all the natural, financial or human resources, or sufficient technological capacities, to ensure independent development, subregional industrial co-operation is essential to enable each country to derive maximum advantage from the resources it possesses and to achieve collective self-sufficient and self-sustained development. The implementation of a policy of this kind will guarantee a larger market for raw material producers as well as optimal utilization of their resources and installed production capacities. This approach will gradually help to bring about regional economic integration and the implementation of measures that would ensure sound industrial development at the national, subregional and regional levels. It should, however, be emphasized that the political will that had motivated the establishment of subregional organizations needs to transcend purely national interests. Also, in order to promote subregional co-operation in Central Africa, and make it operational in Africa, a number of mechanisms have to be set up.

C. Strategies and Policies

26. Most member countries of the subregion have been involved in the early 80s in stabilization and Structural Adjustment Programmes (SAPs). A review will have to be made of such programmes with a view to assess their compatibility with economic integration. In this regard, as indicated in the Treaty establishing the Economic Community of Central African States and its protocol on co-operation in the field of industrial development, new national and subregional approaches will have to be adopted in order to:

(i) harmonize and co-ordinate industrial development policies and plans so as to facilitate the preparation and implementation of a common industrial plan;

(ii) identify and implement priority and strategic industrial projects offering possibilities of complementarity and specialization and likely to

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stimulate the establishment of local community industrial enterprises;

(iii) promote the rapid industrialization of land-locked, island, semi-land-locked and/or least developed countries by the adoption of appropriate fiscal, financial and commercial measures;

(iv) adopt and apply a common investment code, common tax system or other means for stimulating investment and integration of enterprises within the subregion.

(v) restructure industrial production so as to create a solid base for the development of the subregion;

(vi) optimize the use of existing industrial production capacity and exploit and upgrade their resources; and

(vii) conclude trade agreements among the countries.

D. Priority programmes and Projects

27. The preparation of an industrialization master plan for Central Africa must be an absolute priority. Furthermore, the industrial sector programme for the subregional will be based on studies of priority industrial branches retained by the Industry technical committee and approved by the council of Ministers of ECCAS. These branches include:

- Industries linked with agriculture, namely: agro-industries and food industries based on the development of activities related to the processing of foodstuffs and wood;
- Engineering industries producing agricultural equipment and machinery and spare parts;
- Chemical industries ensuring the production of fertilizers, pesticides and petrochemical products;
- Metallurgical industries supplying intermediate goods for engineering industries;
- Building materials industries which ensure the production of cement and tiles;

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- Pharmaceutical industries
- Medium- and small-scale industries related to the above branches.

28. The formulation of a programme for the Central Africa subregion was based on sectoral typologies made on the basis of statistical analysis of a number of variables relating to industrial development (e.g. natural resources and other factor inputs, production, consumption, trade and related policies etc.). Such an approach made it possible to classify countries into groups that show similar patterns of development and development of potential with regard to a specific industrial sub-sector. On the basis of such an analysis, sub-sectoral development strategies could be derived for each group of countries, together with the elements for integrated programmes of technical assistance, investments and policy measures necessary to implement the strategies. The sectoral typologies could also be used by Governments of the countries of the subregion in their industrial development programmes and for approaching donors and potential investors.

Criteria for project identification and selection

29. In the ECCAS subregion an industrial project which qualifies as a multinational/subregional core project should:

(a) Contribute to the overall objective of IDDA, i.e. lead to a high degree of self-sufficiency for the country and the subregion, and also contribute to self-sustaining growth;

(b) Provide inputs to the priority sectors selected in the Lagos Plan of Action, i.e. food, transport and communications and energy;

(c) Provide effective integration and linkages with other industrial and economic activities and infrastructures in the subregion;

(d) Utilize and upgrade, to the maximum extent possible, African natural resources (raw materials and energy) so as to benefit, firstly, the subregion, and secondly, other African subregions;

(e) Produce intermediate goods for other existing or planned industries, particularly food processing, building materials, textiles, energy, transport and mining industries;

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(f) Cater, first and foremost, directly or indirectly, for the essential needs of the people of the subregion and, if required, of other African countries;

(g) Involve (i) economies of scale, (ii) use of relatively complex or upgraded technology, (ii) large investment, and (iv) market(s) beyond the reach of individual countries in the subregion;

(h) Offer scope for co-operation, especially among the African countries, in long-term supply/purchase arrangements for raw materials, intermediate and final products; sub-contracting; barter arrangements; acquisition of holdings, etc; and

(i) Have export potential or enhance the export potential of other countries in the subregion.

30. The indicative list of the subregion's selected projects including the new project on the establishment of a rolling-mill in Congo is annexed to the present programme.

E. Support Sectors and Main Factor Inputs for the Industrial Development of the Central African Subregion

Agriculture

31. The adoption of some common rules for protection of the markets for agricultural products due to the decrease in the subregion's producers income, as well as the organization of the collection, processing and storage of agricultural products in order to reduce the cost and ensure their availability along the year constitute important incentive measures for the peasants.

32. Improvement in the agricultural yields so as to meet the ever-increasing demand for food calls for the use of industrial inputs such as agricultural machinery, supplies and implements as well as fertilizers and pesticides. In consequence, development of the industries supporting the agriculture of the subregion is more than necessary. Furthermore, industries processing and preserving farm products need to be developed so as to reduce food losses and diversify consumption. Agriculture is therefore the main target sector for the industrial development of the subregion.

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Fishery Resources

33. The subregion is endowed with important fishery resources which are almost unexploited. The setting up of a common exploitation plan for these resources matched with some rules to protect the market could favour the development of naval construction industries and ensure the distribution of the products by the development of cooling systems.

Mineral resources

34. The self-sufficient and self-sustained development of the subregion presupposes, inter alia, increased exploitation and local processing of the major mineral resources. Inevitably, this will entail development of the metallurgical industries which utilize ferrous and non-ferrous ores as raw materials, and the engineering industries which have to provide the mining sector with mining equipment and machinery.

Energy

35. As opposed to some of the subregions of the continent, central africa possesses major combustible mineral resources. Four countries out of 11 are already producing oil (Angola, Cameroon, Congo and Gabon), while major reserves have been discovered in Chad. A study conducted by the Economic Commission for Africa in 1979 has assessed the natural gas reserves at more than 133 thousand million m^3 and those of uranium at 58,000 tons. Other studies have evaluated the Lake Kivu methane gas reserves in the subregion at 60 thousand million m^3. There are also other equally important energy sources such as hydroelectric power from numerous lakes and waterways in the subregion, new and renewable energy sources as well as wood. The development exploitation and joint utilization of these resources at the subregional level would be instrumental in establishing and advancing the integrated industrial sector of this subregion. A subregional electric interconnection study should be envisaged.

Transport and communications

36. Joint development of transport and communications would greatly benefit the land locked countries of the subregion, as well as the hinterlands of those with a coastline. As a result, the process of industrializing Central Africa would be accelerated. Indeed, both people and merchandise would move more easily, which is an encouraging factor for national and foreign private investment. To this end, the states of the subregion should adopt a subregional and integrated policy for maritime and fluvial

transport in order to favour trade. In addition, it is imperative to set up common maritime and fluvial transport company.

Human resources

37. The implementation of any self-supporting industrial development programme depends on the development of human resources at various levels of the industrialization process. The existing skilled human resources in Central African countries are insufficiently, and in some cases, inappropriately utilized. The subregion is compelled to import foreign scientists, technicians and managers to run the factories. There is therefore an urgent need not only to upgrade those skilled human resources but also to ensure their more effective utilization.

Mobilization of financial resources

38. The implementation of the projects contained in the subregional programme calls for substantial investment and no country in the subregion, taken individually, has sufficient and adequate natural, human and financial resources, nor the technology and physical infrastructure suited to its industrial development. As a result, the programme advocates enhancing subregional co-operation as a means of mobilizing internal and external financial resources to implement the multinational industrial projects that would be selected within the framework of the Industrial Development Decade for Africa.

Technology

39. The creation of the core industries of the programme will call for strong support on the technical side. To make this possible, technologies need to be acquired which, to be productive, must be adapted to and integrated into the existing environments. This will have major repercussions at the organizational, institutional and financial level. It will also require the formation of sound scientific and technological capabilities on a local basis.

Industrial institutional infrastructure

40. Successful implementation of the subregional programme will depend, *inter alia*, on the creation of an industrial institutional infrastructure that is lacking at present in the Central African countries. In fact, institutions for coordinating and programming industrial activities as well as a structure which could help Member States to choose and purchase industrial machinery and equipment must be set up at national and subregional levels. Other institutional infrastructures could be developed in such varied fields as: information, banking services and insurance, materials testing and products, standardization and quality

control, marketing, engineering consultancy services, industrial training and support for small- and medium-scale industries.

III. MODALITIES FOR IMPLEMENTATION, MONITORING AND EVALUATION

A. Promotion and Financial Resource Mobilization

41. Experience has shown that implementation of the programmes previously adopted within the framework of the first IDDA was faced with difficulties since their contribution to the acceleration of the industrial development process was hardly appreciated by most of the economic agents and, first and foremost, by the governments themselves. It would therefore be advisable to give wide publicity to the Programme for the second IDDA so as to increase public awareness and facilitate its implementation at the national and subregional levels. The mass media together with all the other means available for disseminating information should be used to mobilize local resources and raise the interest of foreign investors in viable joint projects.

42. Implementation of the projects contained in the subregional programme for the second IDDA will require considerable financial resources that no member country can provide by itself. Funds for the programme could be mobilized by pooling available financial resources and making a collective effort to secure funds from subregional and international financial institutions and donor countries.

43. At the bilateral level, several industrialized countries are providing, in one form or another, considerable technical assistance to most of the countries in the subregion. To improve the efficiency of such assistance, a mechanism should be set up at the national and subregional levels, with the collaboration of such intergovernmental institutions as ECCAS, UDEAC and CEPGL, to ensure the promotion of the programme by potential donors and investors. Furthermore, it is important to submit proposals for specific subregional projects to multilateral financing institutions such as the World Bank, the African Development Bank and the European Development Fund since there is an increasing tendency of these donor agencies, towards supporting economic integration.

B. Co-ordination among Intergovernmental Organizations

44. In order to make the implementation for the programme more effective, the subregional organizations such as ECCAS, CEPGL and UDEAC should co-ordinate and undertake jointly some of the activities of the Decade. This will avoid duplication and waste of limited resources. The coordination relates, inter alia to such areas as:

(a) Enhancing the objectives of the intergovernmental institutions (ECCAS, UDEAC and CEPGL) by placing more emphasis on the promotion of a self-sufficient and self-sustained process of industrialization at the national and subregional levels;

(b) Improving the main instruments of UDEAC and CEPGL so as to take into account the opportunities offered by the broader ECCAS market; for example, with regard to the joint agreement on investments, action should be taken to reduce the rates and duration of tax relief as well as other non-fiscal benefits;

(c) Upgrading the activities of such subregional institutions as the Centre for the Development of Mineral Resources in Central Africa, and setting up similar institutions in the areas of agricultural, stock-breeding, forestry and fishing resources;

(d) Establishing subregional mechanisms with national branches to assess technologies, raw materials, technological and scientific manpower, and to gather, process and store information and data in these areas.

(e) Finalizing agreements, among the countries in the subregion, on the host country for each subregional core project and on the respective roles of the others in its implementation. This should cover, supply of raw materials and energy; purchase of intermediate and finished products; equity shareholding; training and allocation of manpower to the project; and Research and Development (R and D) associated with the project; and,

(f) Establishing, at ECCAS level of an industrial promotion coordinating committee whose function will be to co-ordinate the formulation and implementation of all industrial programmes/projects in the subregion including those of the Second IDDA.

C. Co-ordination of Subregional and National Programmes

45. It is evident that the success of the ECCAS programme for the second IDDA will depend on the actions taken at the national and subregional levels to co-ordinate the implementation and monitoring of the subregional and national programmes. Some of these actions will have to cover at least the following:

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(i) Honoring commitments entered into at the subregional level as part of the implementation of the subregion's programme for the second IDDA;

(ii) More specific expression of the political will, which is the most decisive factor in setting up national units or cells for subregional industrial co-operation within the relevant ministry so as to help member States reformulate and harmonize their industrial policies and programmes and to proceed to a better division of labour in the industrial sector.

(iii) Acceptance of the subregional programme for the Second IDDA by all the member States and subsequent incorporation of the subregional component projects into national industrial development plans;

(iv) Definition of the role of sponsors or lead countries and those taking part in the implementation of the projects selected, and establishment of an implementation plan and co-ordination mechanisms for each project;

(v) Close collaboration between the national industrial promotion units and the intergovernmental organizations (ECCAS, UDEAC and CEPGL) in order to avoid duplication and to share experience.

D. Creation of an Enabling Environment for Industrial Investment and Development

46. The implementation of the selected multinational core projects will require an important investment which member States of the subregion, taken individually or collectively, may not have. Therefore, in order to attract foreign and domestic potential investors, the Governments and intergovernmental subregional organizations (ECCAS, CEPGL and UDEAC) should create an enabling environment taking specific measures and setting up instruments and institutional mechanisms at national and subregional levels. These measures, instruments and mechanisms include:

(i) Formulation of national and subregional industrial policies geared towards the attainment of self-reliant and self-sustained development;

(ii) Establishment of subregional juridical instruments such as: a subregional code of investment taking into consideration existing national codes of investment, a trade and customs convention; and, a convention on the free movement of people, goods, services and capital;

(iii) Strengthening or establishment of institutional infrastructure at the national and subregional levels with a view to developing and promoting technological and entrepreneurial capabilities;

(iv) Strengthening or establishment of adequate national and subregional financial institutions for financing the national and subregional projects;

(v) Development of transport and communication network throughout the subregion.

47. The Governments of the subregion also need to closely involve the private sector as appropriate, as well as industrial and engineering consultants in the formulation, implementation, resource mobilization and decision-making process of the projects retained in the subregional programme. There is need to formulate a programme providing for greater involvement of the private sector in various aspects of industrial development particularly financing, production and trade. It is also essential that the support projects in the subregional programme should be accorded the desired priority since industrial co-operation projects very often fail on account of lack or inadequate project preparation, evaluation, promotion and management.

E. Effective Implementation of Projects

48. As the different States of the subregion are involved in the Structural Adjustment Programmes (SAP) which favour the private sector, the effective implementation of projects will be tied to the identification of potential private promoters. The responsibility of governments will mainly lie on the establishment of an institutional framework favourable to those investments and the preparation of studies as well as the promotion of the retained projects.

PART II : EASTERN AND SOUTHERN AFRICA

I EVALUATION OF SUBREGIONAL INDUSTRIAL COOPERATION IN THE FIRST IDDA

A. Concepts, Principles and Strategies of the First IDDA

49. The basic concept that underlay the first Industrial Development Decade for Africa (1980-1990) was that of self-reliance and self-sustainment as elaborated in the Lagos Plan of Action and the Final Act of Lagos. The fundamental goal of IDDA was, therefore, to make the industrial sector contribute to the realization and achievement of self-reliance and self-sustainment at the national, subregional and regional levels.

50. The IDDA specifically articulated the need, at the subregional level, for coordinating industrial development strategies, plans and policies of the countries either bilaterally or multilaterally. The need to gradually develop the necessary institutional mechanisms for industrial cooperation was also emphasized.

51. For the Eastern and Southern subregion, the IDDA concepts and principles were to be concretised through a multi-pronged strategy that would involve the following:

(a) using industrialization as a means of attaining self-reliance and self-sustainment;

(b) reducing the traditional dependence on forces and factors from outside the continent;

(c) promoting internal engines of growth;

(d) increasing the use of domestic factor inputs;

(e) promoting the establishment of basic and core industries;

(f) developing critical national capabilities -human institutional and infrastructural -for project design, project execution, negotiation skills, mobilization of financial resources, support services, entrepreneurship and business management.

(g) promoting regional and subregional cooperation as a practical means of enlarging markets, establishing multinational basic and core projects and strengthening the inter-dependent physical and human infrastructure.

B. Priority Areas

52. Since a number of subregional groupings were created or became operational during the early 1980s soon after the adoption of the IDDA, it is possible to identify the priority areas for the subregion for the first IDDA by closely examining the stated priorities and policies in the area of regional cooperation of each of the three main subregional organizations namely the Preferential Trade Area for Eastern and Southern African States (PTA), the Southern African Development Coordination Conference (SADCC) and the Indian Ocean Commission (IOC). These are summarised below:

53. In their 1980 declaration in Lusaka, the Heads of State and Government of SADCC stated clearly that their objectives are:

(i) the reduction of economic dependence, particularly, but not only, on the Republic of South Africa;

(ii) the forging of links to create genuine and equitable regional integration;

(iii) the mobilization of resources to promote the implementation of national, inter-state and regional policies;

(iv) the concerted action to secure international cooperation within the framework of the strategy for economic liberation.

54. In the Treaty for the Establishment of the Preferential Trade Area for Eastern and Southern African States, the main objectives can be cited to include:

(i) The establishment of a "preferential Trade Area" as a first step towards the establishment of a common market and eventually an Economic Community for Eastern and Southern African States. The specific undertaking of the Preferential Trade Area shall be to promote cooperation and development in all fields of economic activities particularly trade, customs, industry, transport and communications, agriculture, natural resources and monitory affairs.

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(ii) Cooperation in the field of industry aim at promoting self-sustained industrialization within PTA, expanding trade in industrial products and effecting structural transformation of industry for the purpose of fostering the overall social and economic development of member States.

55. The overall co-operation strategy of the IOC is based on two main areas of emphasis. These are the development of trade and the promotion of industrial co-operation within the IOC. These areas are determined by objective considerations such as factor endowments and the requirements of the population, as well as by the interests expressed by Governments and economic actors.

56. Stemming from the main objectives subscribed to by the different subregional groupings of Eastern and Southern Africa, the policy framework for the subregion has focused on harmonization and coordination. However, degrees of emphasis have varied. Thus, while SADCC's general development policy is the co-ordination of national efforts, PTA's focus is on subregional integration.

57. Similarly the policies and measures for industrial integration and cooperation underway are diverse and cover areas of direct relevance to the industrial sector as well as those areas which complement industrialization such as transport and communication; trade liberalization covering, improvements in tariff and non-tariff structures, customs regulations etc; financial banking and payment arrangements. Policies have also been formulated to strengthen the effectiveness of strategies in areas like import substitution, small- and medium-scale industrial promotion, core and engineering industry development etc.

C. Results and Constraints

58. The subregion made significant progress in establishing important subregional organizations. This has had notable results especially in the facilitation and liberalization of trade, transport Sector particularly the removal of non-physical barriers, rehabilitation of some basic industries and a number of multinational industries are at various stages of implementation. Also identified are capacity building projects which are various steps of implementation. However, in the area of trade, intra-regional trade is still limited both in terms of the total value and variety of goods traded. In finance, the introduction of the PTA travellers cheque and the establishment of a subregional trade bank constitute a major step in the right direction. In industrial cooperation, the three major organizations have been actively involved in identifying, promoting and financing industrial projects and exchanging industrial information.

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59. The major constraints that have affected industrial cooperation in the subregion relate to those that have affected Africa as a whole such as rising debt, exposure and sensitivity to external financial factors as well as the endogenous constraints originating from inappropriate industrial, financial, monetary and fiscal policies at national and subregional levels.

D. Linkages with the Second IDDA

60. The major aims of the first IDDA remain valid and will continue to be the basis for the strategy of the second IDDA. Taking into consideration the experiences of the first IDDA, the immediate objectives of the second IDDA for the Eastern and Southern African subregion will include essentially, the same objectives somewhat modified or enriched to reflect the current needs and realities: These include:

- To promote the consolidation of existing investments, through rehabilitation of ailing industries and revitalization of the public enterprise sector;
- To expand existing assets and promote new investments, particularly in core/strategic industries, keeping in mind national endowments, markets , financial capabilities and viability based on sound commercial and socio-economic considerations;
- To promote the creation and upgrading of all types of human skills required for integrated industrial development;
- To develop an appropriate supporting physical infrastructure;
- To improve the quality and range of the institutional infrastructure;
- To pay special attention to the needs of the least developed countries;
- To strengthen and extend programmes of regional and subregional co-operation.

61. For the Eastern and Southern Africa subregion, the major link between the first and second IDDA will have to be with regard to the projects that will be selected to form the basis for the subregion's programme for the second IDDA. Already the different stages of progress achieved in the implementation of the various

industrial cooperation projects in the subregion and the different actions required (such as rehabilitation or expansion of existing industries) have necessitated the revision of criteria for the second IDDA subregional programme.

II. SUBREGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME FOR THE SECOND IDDA FOR EASTERN AND SOUTHERN AFRICA

A. Status of Industrial Development in the Subregion

62. The level of development of the industrial sector in Eastern and Southern Africa varies considerably among the individual countries of the subregion. While in a few cases, the manufacturing sector is large, complex in structure and important in terms of its contribution to total GDP, in most cases, the sector is only at an early stage of development. For example, in 1987, the share of manufacturing value added (MVA) in GDP, ranges from well over 20 percent for Zambia, Zimbabwe, Mauritius and Swaziland to only 3.2 percent for Somalia. For the subregion as a whole, the average share is about of 10.7 percent, which is lower than the African regional average of 13.7 percent.

63. The structure of the manufacturing sector shows a concentration in the food, beverages and tobacco sub-sector in most of the countries with the exception of Mauritius and Uganda. The next important sectors in almost all the countries are textiles and wearing apparel and wood and wood products. These three agriculture-based industrial sub-sectors account for close to 80 percent of manufacturing value added in almost half of the countries of the subregion. Another general trend in the subregion is the relatively substantial share of the chemical sub-sector in total MVA. Overall, there seems to be a significant productive capacity in many chemical products, especially refining capabilities and fertilizers production.

64. Although, the Eastern and Southern African countries have faced a number of constraints in establishing strong industrial cooperation mechanisms, they are seeking to respond to the new challenges posed by rising debt, dwindling foreign exchange as well as to the changes in the international economic order, through a process of deregulation and liberalization of their economic and political systems. Initial steps have been taken and reforms are being implemented to facilitate the opening of the economies to private (local and foreign) entrepreneurs, through the privatization of public enterprises and the creation of a more favourable investment climate and investment efficiency. However, the framework within which such reforms are undertaken (i.e. mostly

Structural Adjustment Programmes), does not provide the adequate environment for structural transformation of the economy at national and subregional levels.

65. Against this background, subregional efforts might have greater promise of success than in the past decades due to the following factors:

- reaction to external pressure from emerging world trade blocs such as the EEC's single market by 1992;
- greater internal cohesion as most African countries restructure their economies,
- expectation of the possible end of the existing political order in South Africa, leading to lesser constraints of the apartheid system on the economies of the subregion, and a possible new role for South Africa in the subregion and with a resulting impact on economic development in the subregional and global context;
- increasing prospects of economic co-operation and integration at both the subregional level, in the context of existing fully-fledged subregional organizations and at the regional/continental level.
- Involvement of the private sectors starting at an early stage of project development.

66. Eastern and Southern African countries are also intensifying their efforts to more effectively cooperate in the fields of trade, infrastructure, communications, energy and industry, as well as with regard to the implementation of industrial and trade agreements and the harmonization of regulations. In addition, the promotion of partnership between the governments and private business communities and partnership among the countries of the subregion through the creation of joint ventures, following the signing of a charter on multinational industrial enterprise by tem PTA Authority would greatly help overcome the problems of individual countries, in particular with regard to training, maintenance and spare parts and the procurement of equipment and other inputs. Such an approach will, no doubt, contribute to fostering economic integration, with expected multiplier effects on domestic economies.

67. Currently, Eastern and Southern African countries, individually or collectively, are devising new instruments and measures to attract more foreign capital in-flows. As negotiations accelerate towards developing new areas of co-operation within the

subregion and as new investment regulations are implemented, this trend of more policy coordination is expected to increase. To overcome existing obstacles, at the country level as well as within PTA, SADCC and IOC, intensive negotiations are under way to remove trade barriers and to integrate the economies.

68. Some of the most recent examples of the growing co-operation in the subregion include the recent agreement between Angola and Namibia concerning the construction of an hydroelectric dam for the supply of Namibia's future needs and, the commercial agreements of Namibia with Botswana and Mozambique. Moreover , there are positive signs for the constructions of a second dam common to both Zimbabwe and Zambia. It is also envisaged to hold joint investment forums to promote investments in Mozambique and Zimbabwe and to increase contacts between their respective business communities in the field of trade and in identifying possibilities of creating joint ventures. In the same vein, there is also the recently signed reciprocal investment promotion and protection agreement between the Zimbabwean and Mozambican governments. This agreement calls on the business communities of the two countries to enter into productive investment and infrastructural development and into partnership with their counterparts, with opportunities in agriculture, mining, manufacturing, tourism and energy development.

69. Other examples that can be cited are the closer co-operation between Kenya and Tanzania aimed at increasing trade through the chambers of commerce and industry and establishing institutional means to facilitate a smooth flow of goods between the two countries, and the recent signing of a memorandum of understanding for building a $127m PTA fertilizer plant in Uganda by the PTA Secretariat, Uganda, Kenya and Tanzania, the Uganda Development Bank, ADB and USAID; with the government of Uganda playing a leading role.

B. Objectives of the Subregion

70. Broadly, the Subregion faces a double challenge. Firstly it should accelerate the full utilization of its existing industry and thereby make better use of capital already tied in these enterprises. Secondly it should expand its industrialization programme and maintain a productivity level that will ensure a high growth level in the sector and thirdly it should exploit the local raw materials and commodities for use as industrial inputs and intermediates and thereby reduce excessive dependency on imported inputs. The new prospects arising from the intensification of commercial and industrial protocols among all the Eastern and Southern African countries will help to establish common institutions, coordination mechanisms and distribution of industrial production, taking into account their respective comparative advantages, and the search of optimal production costs.

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71. On the other hand, the Eastern and Southern African subregion has to increase its exports toward EEC/OECD, and other African countries. Co-operation with Europe, the Middle East and the other countries of Africa calls for a better specialization and diversification of products as well as for a more competitive level of cost and quality. The new industrialization phase in the subregion requires decision-makers to be very selective regarding the fields of specialization (deciding which products), the optimal location of investments (choosing which country) and carefully targeting products to specific commercial partners (targeting which markets).

72. The PTA is in process of elaborating an Integrated Industrial Development Programme which includes the following specific objectives in the 1990s:

PTA programme focusses on:

(a) Rehabilitation of agro-(particularly food), metallurgical, engineering and chemical industries;

(b) Developing and promoting integrated inter-country resource-based core and engineering industries, including upgrading, expanding and diversifying existing facilities and creating new ones for the production of:

  (i) iron and steel, copper and aluminum
  (ii) machine tools and parts and components for traditional industrial machinery and equipment;
  (iii) agricultural implements, equipment and machinery and food processing equipment,
  (iv) low cost transport equipment and parts and components for transport equipment
  (v) fertilizer, pesticides, pharmaceuticals and basic chemicals,
  (vi) food, leather, textiles and pulp and paper,
  (vii) glass, cement and allied products.

(c) the development of SMIs through, among other things, the development of basic industries {(a) and (b)} that provide inputs to SMIs;

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(d) Capacity building [institutional and human resources];

(e) Special programmes for LDCs.

(f) Move towards a Common Market: which would have, among other objectives, enhancing the volume of trade in industrial products;

(g) Enhance the role and participation of women in intra-African trade, industry and transport.

(h) technical cooperation among the PTA states.

C. Strategies and Policies

73. Industrial investments are required to meet the needs of a fast growing population. The increasing burden of debt service and the shrinking possibilities of mobilizing external finance make it even more necessary to consider the development of local inputs in the implementation and operation of industrial projects (consulting and engineering services, construction, capital goods, technical assistance for operation and maintenance etc.).

74. The domestic policy reforms required in the subregion vary from country to country, but the subregion as a whole would benefit substantially from measures to (1) upgrade its own skilled labour force and promote the transfer of appropriate technology; (2) ensure that privatization programmes are carried out effectively and in a way that encourages foreign participation at the subregional level; and (3) establish proper data banks and sources of the economic, scientific and marketing information needed to promote development in general and industrialization in particular.

75. Due attention should be given to the environment in which industrial co-operation is implemented, in order to remove major infrastructural and institutional constraints and make optimal use of the different natural and human resources available in each country of the subregion. In this perspective, industrial co-operation should aim at attaining an optimal combination of know-how and expertise, raw materials and financial resources, and also be based on accurate analysis of location criteria.

76. The successful implementation of the integrated industrial promotion programme will require the development of human resources at all levels, ranging from policy-makers and industrial entrepreneurs through technologists and technicians to skilled labourers. The subregion is endowed with adequate human resources, as well as a number of vocational training centres and technical

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training institutions which, if developed and assisted, could cope with many of the training needs arising out of the integrated industrial programmes. In addition, with appropriate assistance, these institutions could be strengthened and be able to serve trainees from other subregions.

77. Establishing the industries identified in the programme will also require major technological inputs. There are three important considerations in this respect. First, linking technology to the industrial development of the subregion can only be successful if relevant measures are adopted by governments; thus, technology policy and planning become important elements. Secondly, the development of the technological capabilities in each country is a prerequisite for the selection, acquisition, adaptation, absorption or development of industrial technology. This involves, *inter alia,* the establishment of technological institutions and the training of industrial and technological manpower. Thirdly, the appropriate choice of technology is of crucial importance, since an inappropriate choice will not only lead to unnecessary expenditures, but will also distort the pattern of development.

78. In order to implement the subregional programme successfully, it will be necessary to strengthen the industrial institutional mechanisms which have been established in each country to promote joint projects and industrial co-operation. There are distinct types of institutions that need to be supported: (i) those institutions primarily responsible for such activities as the organization of raw materials supplies, including energy, the development of factor inputs for production and marketing; and (ii) those performing supplementary services, such as information, banking and insurance, material and product testing, and project preparation.

D. Priority Programmes and Projects

79. Experience of the last two decades has proven that industrialization can not be attained by pursuing an import substitution strategy that is based on imported inputs. The development of supply and use of inputs of domestic origin is necessary especially in the wake of scarcity of foreign exchange and external debt management. It is against this background that the priority industrial subsectors for development have been identified to include:

- agro- (and forest) based industrial (food processing pulp and paper)
- Chemicals (fertilizers, pesticides, pharmaceutical and basic chemicals)

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- metal (iron, steel, copper, and aluminum).
- engineering (machine tools, parts and components, agricultural equipment, tool processing equipment, low cost vehicles)
- building materials (glass, cement and allied products)

80. Other programmes relate to capacity building particularly the establishment of centres of excellence, industrial human resources development, standardization and quality control and energy. The specific projects have been designed to address the problems that face the industrial sector as a whole and constraints that are peculiar to specific branches of industry. For instance in the metallurgical, engineering and chemical subsectors the major constraints are low capacity utilization due to shortages and non-availability of raw materials and intermediates, out-dated technologies inefficient plants, shortages of skilled personnel, lack of proper maintenance and lack of foreign exchange for procurement of intermediates inputs, supplies, spare parts and replacement equipment. Other constraints include need to invest in infrastructure, poor selection of technologies, sensitivity to economies of scale, high cost and relatively poor quality of some local inputs, high import content products, inadequate or lack of industrial institutions. Most of the above problems affect the agro-industries and other subsectors too where a principal concern is creation of linkage between agricultural, and the manufacturing sectors. Availability of raw materials in the quality and quantity required is particularly crucial to agro-industries

81. The projects presented in Annex 2 which are for the Eastern and Southern Africa Subregion, originate from a variety of sources. Therefore, there is considerable similarity, overlapping and duplication in a number of projects. On the other hand, different criteria were used in identifying the projects from the various sources. However, a meeting of the subregion identified a set of criteria to select the projects and to set priorities among the projects. The selection criteria took into account, among the others, the potential of the projects to enhance subregional self-reliance and self sustained industrial development. It should, of course, be understood that the list of selected projects can always be revised and updated.

82. In this connection, due account should be taken of the distinction made in the 1988 Revised Integrated Industrial Promotion Programme between core projects, involving investment in the establishment or expansion of enterprises, and support projects which include activities in areas required to facilitate and

promote industrial development in the subregion such as supporting the institutional infrastructure, human resource development, the provision of industry-related services, etc. Distinctions among different project categories are also important because of the different types of actions that need to be undertaken to implement the different types of projects.

83. In elaborating the subregional programme for Eastern and Southern Africa it was useful to distinguish between three main ways in which industry can be considered to have a subregional component:

(a) equity participation: joint ventures or other forms of co-operation where ownership (public or private) of an industry is based in more than one country of the subregion;

(b) inputs from the subregion: manufacturing in one country, for which at least part of the inputs - raw materials, intermediate goods or technical or managerial expertise - are imported from another country of the subregion, possibly including such forms of co-operation as buy-back or barter agreements;

(c) subregional market: manufacturing in one country for which, at least, part of the market is in another country or countries of the subregion.

84. The industrial programme can be classified as: new investment, rehabilitation, expansion and diversification and institution building. The projects have further been categorized to priority A and B. As experience has shown that there are considerable problems connected with co-operation in establishing MIEs, it is also important to consider all other possibilities for subregional industrial co-operation and the ways in which subregional and international organizations can promote and contribute to this co-operation in elaborating the support projects component of the subregional programme for the second IDDA.

Under the heading of support projects, there is scope for a wide range of activities including:

(a) Institutional co-operation: building networks between national institutions and cooperating subregional and international institutions, e.g. for the provision and exchange of information, technology, services, personnel etc;

(b) Promoting forms of international co-operation between firms such as trade in intermediate goods and component parts, e.g. through the establishment of subcontracting exchanges;

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(c) Multinational technical assistance projects that make use of the experience gained in providing assistance to industries or support institutions in one country for providing similar assistance to other countries.

85. The criteria used for project identification relate to the industrial sub-sectors covered as well as to other factors. The priority sub-sectors identified in the revised integrated industrial promotion programme for the subregion in 1988 were the following: agro-and agro-based industries, building materials, chemicals, engineering, and metallurgical industries. Priority was accorded to a number of other factors, such as natural and human resources, infrastructure, technology, and services supporting industrial development. The following are the specific criteria adopted for selection of projects in Eastern and Southern Africa namely:

1. For all projects in the programme

The project:

(a) relates to an industrial sub-sector or support area identified as a priority by one or more of the subregional organizations;

(b) is subregional in character, meaning that it requires participation by and is beneficial for two or more countries of the subregion;

(c) has a clearly identified sponsor or sponsors.

2. For basic and core investment projects:

The project belongs to one or more of the following categories:

c(I) Multinational equity participation (e.g. joint venture) - requiring investment (public or private) from more than one country of the subregion;

c(II) Multinational inputs - requiring inputs from another country in the subregion than the one in which manufacturing takes places;

c(III) Multinational market - when it benefits other countries of the subregion in terms of reduced external dependence, improved balance of payments

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etc., through production and marketing within the subregion.

3. For support (technical assistance) projects:

The project is either:

S(I) Institution-building -establishing or strengthening capabilities of national or subregional institutions to support subregional industrial development;

S(II) Direct support - providing direct support to one or more potential or established enterprises, e.g. by preparing a study or providing expertise and equipment;

S(III) Direct training - providing training, either within the subregion or abroad.

S(IV) Pilot project - a pilot production facility to study the technical and/or economic viability of production;

S(V) Experimental - laboratory-scale experiment to study the viability of an industry-related process.

E. Costing of the Programme

86. The key problem associated with the subregional industrial projects identified during the first IDDA was that most projects were proposed without proper costing. Therefore, it is advisable that in the Second IDDA, periodically IDDA project list should be reviewed and revised as appropriate and projects added after at least having been subjected to pre feasibility analysis. Based on this analysis, a critical revision and screening of all the projects should be elaborated, and a priority list drawn up. In addition, each proposed project should find a sponsor or a partner who should arrange funding for implementation and specific technical assistance required. For the preparation of the second IDDA, as far as costing of the programme is concerned, it was suggested to:

- Set up subregional trust funds with UNIDO for pre- and full feasibility studies;
- Explore the possibility of utilizing the AFDF set up by IFC, ADB and UNDP in co-operation with some developed countries;

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- Propose that subregional development banks and funds set aside a perçentage of their operational funds for project preparation, feasibility studies and sponsoring investment forums;

- Explore the possibility of using the UNIDO project preparation facility.

87. An investment portfolio should then be compiled for the subregional programme for the second IDDA, which contains only projects that have been studied, casted and found feasible and bankable.

III. MODALITIES FOR IMPLEMENTATION MONITORING AND EVALUATION

A. Promotion and Financial Resources Mobilization

88. The mobilization of both human and financial resources is an integral part of the activities of the second IDDA. The potential pool of funds available for development consists of domestically raised resources and donor support both multinational and bilateral, as well as foreign private investment. For the success of the second IDDA there are two specific areas of resource mobilisation to be focused on namely investment promotion and technical cooperation as outlined below:

Investment promotion and resource mobilization:

89. To ensure effective implementation of the second IDDA programme, projects earmarked for investment during the period should be explicitly included in the national development plans of the sponsoring countries as appropriate. Consequently financial provisions would be reflected in annual budgets and projections considered for subsequent phases of investments. Within the context of the national development plans the IDDA projects would thus also be subjected to priority negotiations for support with bilateral and multilateral donors including World Bank, UNDP, and other UN bodies.

90. Implementation of the projects selected for the subregion will call for major investments. It will also call for a thorough examination of issues such as, the complete production process, the transfer and choice of technology, product selection, firm and extensive negotiations with the outside world. Taking into consideration the problems facing all member States in the subregion particularly the precarious state of the balance of payment, and public finances, governments and financial

institutions in the subregion should intensify their efforts to mobilize internal and external financial resources. Governments should, individually and/or collectively adopt a variety of measures including fiscal and other policies designed to stimulate savings and investments. These could be supported by financial institutions within the subregion such as the Trade and Development Bank for Eastern and Southern Africa.

91. Concerted efforts by both national, subregional, and international financial institutions would be needed to facilitate the process of financing subregional projects. These would include appropriate actions by existing financial institutions to strengthen current financing mechanisms as well as investment support activities in order to channel more resources to multinational and subregional projects. In particular, the financing of pre-feasibility and feasibility studies, the provision of legal and financial support for joint ventures as well as assistance in the process of identification of potential partners/promoters for multinational projects are key areas for intensified actions.

92. In order to mobilize financial resources to implement the decade programme it will be necessary to establish a Resource Mobilization Committee (RMC) comprising the host country (where a specific multinational project of a capacity building project will be located) relevant IGOs, the ECA, UNIDO, ADB, World Bank, PTA and other financial institutions in the subregion. The member States concerned with the project would also be involved as necessary. Priority would be given to capacity building projects, and funds for feasibility studies. Investment projects particularly where private investors are involved in the multinationals, could also be assisted by facilitating negotiations leading to the establishment of the joint-venture including the acquisition of technology. The RMC could be chaired by the ADB. Target sources of funds should include two provisions under Lome convention, the World Bank, ADB, the UNDP, the EIB, etc.

93. Finally investment promotion requires that the existing and potential entrepreneurs in the subregion are totally involved and committed. The programme should, therefore, be exhaustively circulated among the relevant economic agents including chambers of commerce and industry, manufacturers associations and investment promotion bodies small scale industrial organizations and bodies promoting the informal sector in the subregion especially at the national levels. The projects should be analyses to determine how the governments and business community, can promote the programme. It should be kept in mind that the successful mobilization of local resources can serve as an inspiration to potential foreign investors, and encourage them to participate in viable joint ventures projects.

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Technical Co-operation

94. To effectively implement the subregion's programme will also entail a great amount of technical cooperation. As part of the efforts to mobilize technical support for the second IDDA and in order to ensure effective co-ordination of the resources, it is necessary, first of all, to take stock of all possible actors/organizations, assess their respective potentials and then programme the necessary options. The potential sources of technical assistance are both bilateral and multilateral institutions including the World Bank, the United Nations Development Programme, the African Development Bank, the European Development Fund and several United Nations agencies including UNIDO, FAB, UNCTAD and ECA.

95. UNIDO as a specialized UN agency in the field of industry is disposed to play a central role in assisting member States and subregional groupings to implement their IDDA programmes. UNIDO should therefore be requested to provide assistance through its investment promotion programme, including the use of its investment promotion services. Some of the services UNIDO could undertake include promotional activities, involving major financial institutions and donor countries in assisting member States and their subregional organizations to attain the objectives and targets set by the subregion.

96. In programming for technical supports of the subregional programme for Eastern and Southern Africa for the second IDDA, the following should be taken in account and acted upon as appropriate:

(a) the level of funds for technical co-operation activities to be allocated by the IDDA regional programmes. It could be recommended that, in future, greater emphasis be placed on subregional technical assistance programmes that could be expected to have a broader impact than country-based assistance;

(b) the level of funds that the UNDP regional programme for the next cycle will allocate to industry. In the current programme cycle the allocation for industry was very limited; emphasis was put on food security, and acquisition of advanced technology. Directing a greater proportion of resources towards industry could have a strong positive impact on the implementation of the subregional programme;

(c) the level of financial and human resources that the countries themselves will allocate to regional issues.

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B. Co-ordination among Intergovernmental Organizations

97. The subregional groupings within the Eastern and Southern African subregion should be fully coordinated. It is only then that the subregional IDDA can be implemented. The subregional organizations and in particular the PTA, SADCC, IOC should play an active and coordinated role in ensuring the full implementation of the subregional programme of IDDA. Indeed the programmes of the subregional organizations for the industrial sector the 1990s should derive from the subregional programme for the second IDDA.

98. It would be necessary for these subregional groupings and their secretariats to review their activities and adjust or develop mechanisms for effective monitoring and coordinating of the decade programme. These coordination activities should be periodically reported to policy making organs in the subregion.

C. Co-ordination of Subregional and National Programmes

99. Strengthening and rationalization of coordination mechanisms between the subregional and national levels is a key factor for the success of the programme. The coordination is required at two levels, namely; at the level of implementation of subregional and national projects and at the level of the subregional and national support services.

100. The coordination of subregional and national programmes should include modalities for:

(1) ensuring cooperation from all countries, from both government and private sector, with subregional organizations to prepare and periodically revise the subregional programme for the second IDDA as the need may be;

(2) incorporation of the salient features of the subregional programme and its projects in national industrial development plans, and in national programmes for the second IDDA possibly involving the need to adjust ongoing national development plans.

(3) Strengthening or introducing operational mechanisms for follow-up, including pre-investment studies, investment promotion and project-related consultations with other countries in the subregion.

(4) Improvement of domestic and subregional manpower capabilities and institutional capacities needed for the identification, preparation and implementation of

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projects as well as their coordination throughout the subregion.

(5) Formal endorsement and implementation of the subregional programme by all appropriate intergovernmental organizations in the subregion, and inclusion thereof in their subregional development plans and programmes;

(6) Establishment and/or strengthening of subregional technical and sub-sectoral committees where necessary on a branch-by-branch basis to co-ordinate, monitor and advise Governments on the selection and implementation of multinational projects in each sub-sector;

(7) Provision of assistance to countries by the various subsectoral committees in the preparation, implementation, management and monitoring of the multinational industrial projects, including advice on:

  (i) The broad principles governing the relationship among the parties and specifying the co-operation arrangements in the areas of industrial production, and trade in industrial raw materials and products;

  (ii) The policies and supporting measures which the governments concerned should pursue;

  (iii) Operational principles and measures, including mutual benefits or equitable treatment;

  (iv) Joint ventures involving such bodies as multinational corporations in the countries of the subregion;

  (v) Co-production and specialization, including subcontracting and marketing, as an arrangement of particular importance to engineering-based core industries;

  (vi) Joint acquisition of technology and the mobilization of financial resources;

  (vii) Standardization and quality control, certification and metrology;

(8) Preparation by the subregional intergovernmental organizations of the sub-sectoral studies included in the subregional programme with a view to identifying clusters

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of economically viable projects integrated with other industrial branches and the economy as a whole;

(9) Preparation by subregional intergovernmental organizations of rehabilitation studies on priority projects whose reactivation in the context of the subregional programme might prove economically and financially viable;

(10) Agreement among the countries in the subregion on the host country or countries for each multinational investment project and the respective roles of the others in implementing the investment projects. This would include agreement on:

- (i) Supply of the requisite raw materials and energy;
- (ii) Purchase of intermediate and final products;
- (iii) Equity share-holding, majority of which should be owned by African countries;
- (iv) Training and allocation of manpower to the project;
- (v) Conducting R & D related to the project;
- (vi) Exchange of information;
- (vii) Management of the enterprise;
- (viii) Subcontracts, where feasible.

(11) Assistance by intergovernmental organizations and development banks in the subregion in the mobilization of financial and other resources, including investment promotion for the implementation of the multinational investment projects;

(12) Strengthening or establishment of operational arrangements, such as multinational corporations or enterprises, linked with corresponding national corporations, for the implementation of a specific project or complex of projects. In this regard, it should be noted that in establishing multinational enterprises aimed at a lasting and effective economic relationship, it may be necessary for each partner, particularly the Governments, to share in the risks and

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rewards of the enterprises and participate fully in the decision-making at the highest managerial level;

(13) Involving African chambers of commerce and industry or manufacturers and their associations as well as competent local consulting firms in projects from the very start, and increasing their participation/involvement as the project develops.

101. In order to implement the measures proposed above, a number of policy actions will be required. These are predicated on the assumption that unless the productive capacity of the subregion is enhanced, the volume of trade will suffer. Since the promotion of trade between countries in the subregion has implications for the currency arrangements between member States, it would be desirable to ensure convergence in the compensation mechanisms among the countries of the subregion: a matter that should be considered by the subregional organizations concerned.

102. Institutional measures to effect changes and implement policies and programmes should also include strengthening the secretariats of the relevant intergovernmental organizations, in order to enhance their capabilities in carrying out their various functions, including the following:

(i) gathering, analyzing and disseminating relevant industrial data and information from and to all member States, the private sector, associations, institutions and other bodies in the subregion;

(ii) developing and promoting an effective working relationship among the member countries and co-operating organizations;

(iii) serving as a resource unit for the promotion of subregional industrial projects, providing advice on and assistance in securing investment, expansion of markets, acquisition of technology and know-how, and project negotiations within and without the subregion;

(iv) formulating and developing subregional industrial policies and strategies to complement those at the national level;

(v) preparing priority sub-sectoral studies; and,

(vi) identifying, preparing, promoting, implementing and following-up projects.

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103. There is a need for exchange of industrial information so as to avoid duplication and to facilitate effective planning. Already SADDC and PTA have instituted computerized information linked to their respective member states in such areas as trade, industry. Coordination and efficient utilization existing facilities should be attainable especially through establishment of industrial data banks and the dissemination of such information to the users.

D. Creation of Enabling Environment for Industrial Investment and Development

104. As noted earlier, there are constraints and problems that hamper efforts at integration among countries of Eastern and Southern Africa. These include political issues, financial and foreign exchange constraints, lack of cooperation between enterprises and industrial development institutions in the subregion. Increasingly, the cost of technology is becoming formidable and the financing of imported equipments unattainable. Aside from developing local raw materials as a basis for industrialization, the adaptation of technology underway in several countries of the subregions's institution remains largely unapplied and under-utilized. Governments and all relevant institutions need, therefore, to formulate appropriate policies to ensure that these innovative potentials are harnessed to maximum advantage.

105. International economic relationships play a significant role in the industrial development of the subregion. The areas of obvious concern include (i) the balance of payments situation and the structural adjustment programmes member States are pursuing; (ii) the various financial leakages due to uncoordinated acquisition and purchase of technology, consultancy services etc.; (iii) the structure of business practices, quotas and prohibitions of products from the subregion and, (iv) the terms and conditions for foreign investment in the subregion.

106. Ultimately the creation of an enabling environment will depend on the extent to which the member States are willing and prepared to commit themselves to the common goals of the subregion. The policy measures and the accompanying reforms call upon member States to take the initial action which then can empower the collective institutions to function in a healthy manner. Towards this end, political will is necessary to enable the various multinational industrial enterprise and any other public enterprises operate with sufficient autonomy throughout the regional groupings particularly, SADCC, PTA and IOC and to work harmoniously.

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107. Governments and government institutions have a role to play including acting as actual entrepreneurs in the industrial sector. But the role of the private sector must be enhanced if optimum levels of industrialization are to be achieved. Many of the countries of the subregion have already recognized the important role the private sector has to play in development in general and industrialization in particular.

108. The move towards a common market by the year 2000 should encourage intra subregional investment. It would therefore be necessary for the Member States to embark on a gradual revising of their investment codes in order to encourage free movement of capital, labour and goods and services.

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PART III : NORTH AFRICA

I. EVALUATION OF SUBREGIONAL INDUSTRIAL CO-OPERATION IN THE FIRST IDDA

A. Concepts, Principles and Strategies of the First IDDA

109. It should be recalled that in the programme for the first IDDA, emphasis was placed on:

(a) the preparation of sectoral policies and programmes within strategic industrial branches;

(b) the identification of major industrial projects of interest to the countries in each subregion;

(c) the strengthening of establishment or institutions in each subregion aimed at promoting industrial integration.

110. It is in this context that a Subregional Meeting on the Promotion of Intra-African Industrial Co-operation within the Framework of the Industrial Development Decade for Africa was organized at Tunis, Tunisia from 7 to 10 March 1984 to draw up an Initial Integrated Industrial Promotion Programme for The North African Subregion. The programme identified a series of core projects in priority sub-sectors together with supports projects.

B. Priority areas

(a) Core industries

111. The strategic sub-sectors briefly described below have been selected on account of their potential contribution to increased productivity in those areas accorded priority in the Lagos Plan of Action and according to the countries' national resources availability and the proposals of the North African subregional organizations:

(i) Agro- and agro-based industries condition self-sustainment of the subregion with regard to food production, priority of priorities of the LPA. Such industries largely contribute to reducing post-harvest losses, increasing food availability and contribute to food security in the subregion. The expansion of the subsector would allow to mainly decrease the importations, increase the VA of raw materials, augument the export gains and the revenues within this sector, investment possibilities in agriculture (farming and breeding) and in associated industries of transformation will be multiplied and the development of the agro-based sectors such as engineering and energy will be stimulated. With regard to these manufacturing industries of agricultural products, one can mention the textile industries, whose expansion will enable to satisfy local demand, manufacture import substitution articles and provide exportations. Presently a great number of countries of the subregion have a relatively developed textile industry and some countries like Tunisia and Morocco already look for potential markets for their surplus. However the countries in the subregion should intensify their raw materials production, cotton, wool and synthetic fibres instead of importing the latter from countries outside the subregion.

(ii) Metallurgical industries ensure upstream relation with manufacturing industries of raw materials (extraction, energy, water) and downstream activities with the subsectors of metal working and engineering industries. The establishment of such industries in the sub-region would contribute to the setting up of industries, vertically integrated from the extraction onto the manufacturing through the refinery. Now some minerals are extracted in the subregion, while other are exported to developed countries in the form of raw materials or semi-finished products.

(iii) Chemical industries : The production of essential chemical products in the sub-region such as fertilizers, pesticides, pharmaceuticals products and petro-chemicals from the domestic resources natural gas, charcoal, phosphate, potassium, electric energy will stimulate the agricultural industrial and other sectors development whose viability could not be ensured with the imported inputs.

(iv) Engineering industries : A large integration of engineering industries in the sub-region, particularly in the metal working sector, electricity and electronics will enable the manufacturing of heavy equipment and machine tools,

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and intermediary goods and equipment for the food industry and for priority sub-sectors such as agro-industries, building materials and metallurgy.

(v) Building materials : With such an industry the subregion could intensify the exploitation of local resources, provide inputs to building industry and public works for the construction of houses and the establishment of large works of infrastructure such as dams, irrigation networks, airports, sea ports etc.

112. In addition to the above core industries the programme also identifies other areas to be promoted in support of industrial development energy, transport and communication, mobilization of financial resources, water resources, trade, human resources, technology and industrial institutional infrastructure.

(b) Strategies and policies

113. The implementation of the integrated subregional industrial promotion programme, which was revised in 1988, called for a series of steps to be taken by the countries in the subregion. These include, for each government:

- Formal endorsement of the programme and projects;
- Incorporation of the salient features of the subregional programme and its projects in national industrial development plans, possibly incurring the need to adjust ongoing national industrial development plans;
- Allocation of the human, financial and physical resources needed to implement the projects;
- Strengthening or introduction of operational mechanisms (e.g. corporations, companies, commissions) responsible for follow-up, including, pre-investment studies, investment promotion, and project- related consultations with other countries in the subregion;
- If designated lead country, official submission of the project to financial subregional, regional or international institutions;
- Elaboration of detailed pre-investment studies, assisted by relevant development institutions and competent local industrial consultancy organizations;

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- Improvement of domestic manpower capabilities and institutional capacities needed for the identification, preparation and implementation of projects.

114. The subregional programme for North Africa during IDDA-1 also required:

- Formal endorsement of the initial integrated industrial promotion programme by the intergovernmental organizations in the subregion, such as AIDMO and the Tangiers-based MULPOC Council of Ministers, and inclusion thereof in their subregional development plans and programmes, provided that the projects endorsed were in compliance with feasibility or pre-investment studies being undertaken by those organizations;

- Establishment or strengthening of subregional intergovernmental committees (in concert with initiatives taken by existing intergovernmental organizations) to co-ordinate, monitor and advise Governments on the selection and implementation of multinational projects in each sub-sector;

- Provision by those intergovernmental committees of advice to Governments on the preparation, implementation, management and monitoring of the multinational industrial projects;

- Agreement among the countries in the subregion on the host country for each multinational core project and the respective roles of the others in implementing the core projects;

- Assistance by intergovernmental organizations and development banks in the subregion in the mobilization of financial and other resources, including investment promotion for the implementation of the multinational core project;

- Strengthening or establishment of operational arrangements, such as multinational corporations or enterprises linked with corresponding national corporations, for the implementation of specific project or complex of projects;

- Involvement of chambers of commerce and industry or manufacturers and their associations as well as competent local consulting firms from the outset of the project, increasing their participation/involvement as the project develops.

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115. The successful implementation and economic operation of core industries called for the development of human and technological capabilities, the mobilization of financial resources as well as the establishment or strengthening of the capabilities to serve and augment the industrialization process in the subregion. The agencies and organizations of the United Nations system, in particular, UNIDO and ECA were also called upon, in close co-operation with OAU, ADB and other African organizations such as ARCT, ARCEDEM, AIHTTR, AIDMO, ASMO, PATU, IDEP and the various Arab industrial organizations to provide technical assistance in such areas as:

- Updating of the subregional industrial programme, preparation of pre-investment studies, including investment profiles on selected projects in each subregion;
- Identification of specific areas and modes of co-operation between countries, as well as between producers;
- Establishment of a subregional coordinating committee to review and update the regional integrated industrial promotion programme, monitor its implementation and co-ordinate the activities of the sub-sectoral committees etc.

C. Results and constraints

116. The implementation of the integrated industrial promotion programme as a whole for North Africa has been satisfactory. From a total of nine core projects in the agro- and agro-based industries sector, two have been implemented, three are being implemented and the remaining are at the study stage. In the sub-sector of building materials industries, from the four projects that were retained, one has been realized, one is at the implementation stage, one at the study stage, while the fourth has been abandoned. However, all seven core projects in the chemical sub-sector are still at the study stage. In the engineering industries sub-sector, out of twenty-two projects that were programmed for implementation six projects have been implemented, seven are in the process of implementation and the others are at the study stage. In the metallurgical industries sub-sector, only one project has been scheduled and it is in the course of implementation.

117. A major serious constraint encountered in the formulation and promotion of subregional projects has been financial. Indeed, the

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economic crisis of the 1980s heavily affected all North African countries including oil exporters.

118. Furthermore, the implementation of the first IDDA programme was handicapped by the poor implementation modalities of the subregional projects, in particular, the establishment of multinational enterprises. Moreover, the existing mechanisms for project coordination have not been accorded the necessary budgetary resources. In other cases, their responsibilities were not clearly defined from the very beginning. A more serious problem that was also frequently encountered related to the difficulty of securing appropriate technical partners, so as to effect the requisite transfer of technology.

119. Other important constraints that negatively affected the implementation of the first IDDA projects in the subregion, include:

- wide disparities in natural resources endowment, labour supply and markets within the region;
- lack of means and institutional arrangements for channelling investment to local manufacturing industries within the area;
- duplication of existing industries;
- limited support to entrepreneurial development and co-operation, as well as to the development of indigenous technology and industrial research;
- customs and trade barriers, and financial regulations and procedures; and,
- insufficient regional data and information network suitable for the creation of new market-oriented industries.

D. Linkages with the Second IDDA

120. The North African subregion with a total population of about 140,000,000 and a per capita of GDP of US$1,938 per capita in 1989(at 1988 constant price), is the most developed subregion. Also the level of infrastructural development and industrial growth is well above the average for the whole region. The subregion also leads Africa in terms of trade volume and growth. The Achievement of the first IDDA outlined above and the increasing trend in cooperation and integration in the subregion or with the establishment of the Maghreb Arab Union, constitute solid foundation for formulating and implementing a sound subregional industrial programme for the 1990s.

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II. SUBREGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME FOR THE SECOND IDDA

A. Status of Industrial Development in the Subregion: Analysis of Sectoral and Sub-sectoral Issues

121. Overall, the industrial sector of the whole subregion is diversified and covers most sub-sectors. However, industrial cooperation, has been so far limited mainly to bilateral levels. There is therefore, need to move to the multilateral level to take advantage of the potential of the subregion.

122. In 1989, the overall GDP for the countries of the subregion amounted to over US$115 billion. The subregion's Manufacturing Value Added reached US$18.7 billion, thus registering more than a threefold increase compared to the US$6.2 billion figure recorded in 1975. However, even with this phenomenal expansion, the manufacturing sector still accounted for only 13.3 per cent of total North African gross domestic production in 1989.

123. In Algeria, the role of the public sector is being reduced and increasing incentives are being introduced for both local and foreign private investment in industry. Other measures have been taken to promote joint ventures involving foreign participation with the adoption of an investors and banking law which opens the country to foreign investment in fields other than oil exploration. The manufacturing sector, especially the engineering sub-sector has gained a dynamic growth in the past 10 years. The metallurgical and non-ferrous metal industries as well as agro and agro-allied industries, textiles, leather and wood have also recorded substantial progress.

124. In Libya, in response to the decline in available financial resources and the consequent reduction in government spending, private Libyan investors have been encouraged to set up factories producing consumer goods for the local market. In this perspective, Libya is in the process of transferring some medium-sized industrial concerns to the private sector. The shares of engineering and chemical sectors as well as the building materials sector have been increasing, while those of wood and textile industries were in regression. The sub-sectors of non-ferrous metal and transport equipment are insignificant.

125. Tunisia has been, for a long time, encouraging the establishment of private enterprises through specific incentives. The Tunisian's Agence de Promotion de l'Industrie (API) has been instrumental in devising measures to attract foreign firms and joint ventures in textiles, plastics, electronics and other light industries producing goods for export. The paper, chemicals,

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plastics and building materials industries are also dynamic sub-sectors. However, the leather and non-ferrous metal industries as well those -manufacturing transport equipment have recorded relatively good performance.

126. In Morocco, the Office pour le Developpement Industriel (ODI) has promoted joint ventures involving foreign participation in textiles and leather goods, electronics, food processing and fish canning plants. By the end of 1988, there were more than 1,200 textile and leather goods companies, almost all of which were in the private sector, with dominant foreign participation. Further measures have been taken to facilitate the setting up of enterprises especially for local entrepreneurs. The greatest dynamic growth has been registered in the non-ferrous sector followed by the engineering, textile, chemicals and wood sub-sector. Other sectors have only marginally progressed compared to 1975.

127. The manufacturing sector in Mauritania is limited to a few small plants alongside large iron ore mines, and the oil refinery owned by the government and other Arab investors. Also, fish processing and canning industries, which account for the bulk of manufacturing, are mainly state-owned. The manufacturing sector is mainly composed of private enterprises, and the investment and ownership structure is characterized by single entrepreneurs and family business. More recently, the government has launched disengagement programmes facilitating the participation of entrepreneurs in the industrial sector through the purchase of equity in restructured public companies.

128. Egypt has a fairly developed sector covering most types of industries. However, metallurgy, non-ferrous metal and chemicals industries have registered a limited growth in recent years. Major changes are under way in development priorities, the institutional and legal set-up, the industrial structure and ownership, with the objective of a gradual introduction of market economy reforms. In this regard, the current development plan has been oriented towards maximizing private investment in the industrial sector. Engineering has been for Egypt a relative priority.

129. The sudanese industrial sector is mainly agro-based with sugar industry as the main activity. In terms of policy orientation, one of the main objectives of the Sudanese National Economic salvation Programme 1990-1993, is to enhance the role of private sector whether national or foreign, to play a more active role in promoting the industrial development. The objective is to reduce government involvement in the economy through the closing or privatization of state-owned enterprises in the agricultural sector as well as in the textiles, food and leather industries.

B. Objectives

130. At the second follow-up subregional meeting on the promotion of Intra-African Industrial Co-operation within the framework of the IDDA, experts of the North African countries including those of the Arab Maghreb Union (AMU) General Secretariat, the Arab Union of Iron and Steel (UAFA), the Islamic Development Bank and other International Organizations have critically revised the integrated industrial promotion programme for the North-African subregion prepared at the Tangier Meeting in 1988. The revision was to serve as inputs for the preparation of the programme for the second IDDA. Hence, the subregional programme for the second IDDA contains some subregional projects which were not implemented during the first Decade.

131. Generally, based on the overall objectives of collective self-reliance and self-sustainment, and on the guidelines of the first Decade, the main objectives of the second IDDA for the North African Subregion are to:

- use industrialization as a means of attaining self-reliance and self-sustainment;
- reduce the external dependence;
- enhance internal engines of growth;
- promote and increase the use of domestic factor inputs;
- promote the establishment in the subregion of core and strategic industries;
- develop at national and subregional level, critical, human institutional and infrastructural capabilities for project design, project execution, negotiating skills, mobilization of financial resources, support services, entrepreneurship and business management; and
- promote regional and subregional co-operation, establish multinational core projects and strengthen physical and institutional infrastructure.
- co-ordinate economic policies through the harmonization of development plans;
- coordinate scientific research policies and promote the establishment of a network of research centres;

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C. Strategies and policies

132. Industrial growth and economic co-operation in the next decade will be affected by government policies, by measures to promote private investments from the subregion and from outside the subregion as well as by access to raw materials, skilled labour and export markets. Another consideration is the fact that industrial production for the North African market as a whole should be based on economies of scale that would make local production more commercially viable.

133. The subregion faces a double challenge. On the one hand it should rapidly develop its production in agriculture and industry in order to reduce its present deficit in manufactured products. To this end, the envisaged Maghreb Common Market and the intensification of commercial and industrial protocols among all the North African countries, should help to establish common institutions, new coordination mechanisms and distribution of industrial production, taking into account the comparative advantages of each member State and the search of optimal production costs.

134. On the other hand, North Africa has to increase its exports towards EEC/OECD, and the other Arab and African countries. This could be feasible only through more efficient specialization and diversification of products as well as through a more competitive cost structure and better quality. Consequently, the decision-makers should be very selective regarding the fields of specialization, the optimal locations of investments and the target markets. The decision-making process should, therefore, be based on comprehensive studies, notably, in the areas of feasibility and optimization (definition of type and size of production, optimum project location etc.); and assessment of potential markets and marketing strategies.

135. To implement the regional projects, it is necessary that institutional frameworks, mechanisms and instruments be designed and established, in order to promote regional co-operation and foster regional projects and trade. To this end the following should be negotiated, adjusted as appropriate and/or harmonized:

- regulations regarding investments;
- regulations on industrial property;
- adoption of harmonized norms, standards and classification system;
- sectoral regional planning;
- promotion of regional projects;
- legislation regulating public procurement and practices;

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136. Due attention should also be given to the environment in which industrial co-operation is implemented, in order to remove major infrastructural and institutional constraints and make optimal use of the different natural and human resources available in each country of the subregion. In this regard, industrial co-operation in the programme for the second IDDA, should aim at attaining an optimal combination of know-how, raw materials and financial resources, and also be based on accurate analysis of industrial location criteria.

137. The success of the programme will be determined by the development of human resources at all levels, ranging from policy-makers and industrial entrepreneurs, to technologists and technicians and skilled labourers. Industrial entrepreneurs should be involved in any decision concerning the programme. The subregion is well endowed with adequate human resources, and has a number of vocational training centres and technical training institutions which, if developed and assisted, could cope with the training needs of the national and subregional industrial programmes. In addition, with appropriate assistance, these institutions could be strengthened and be able to serve trainees from other subregions.

138. The establishment of the industries identified in the programme could be possible only with adequate technology. Three important considerations have to be observed. First, linking technology to the industrial development of the subregion can only be successful if relevant measures are adopted by Governments. Secondly, the development of the technological capabilities in each country involves, inter-alia, the establishment of technological institutions and the training of industrial and technological manpower. Thirdly, the appropriate choice of technology is of crucial importance, since an inappropriate choice will not only lead to unnecessary expenditures, but will also distort the pattern of industrial development.

139. The effective implementation of the North African subregional programme for the second IDDA, will require the strengthening of the industrial institutional mechanism which have been established in each country to promote joint projects and industrial co-operation. There are two distinct types of institutions that need to be supported: (i) those institutions primarily responsible for such activities as the organization of raw materials supplies, including energy, the development of factor inputs for production and marketing; and (ii) those performing supporting services, such as information, banking and insurance, material and product testing, and project preparation.

140. Concerning the UMA countries, the industrial strategy elements are characterized by the three following approaches:

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- horizontal approach, which advocates technical support assistance projects for environmental development necessary for the industries;
- vertical approach, which concerns regional sectoral restructuration projects in the sectors found priority;
- an approach of specific industrial projects on the basis of industrial partners search, desirous to participate to the implementation of those projects.

141. The details of this strategy and its implementation should be made with the support of competent international organizations.

142. In conclusion, the strategies and policies for the second IDDA should be based on the analysis of:

- existing industrial sectors in various countries;
- complementarity between countries;
- export potentials and capacities;
- nature of current importations of the subregion;
- The nature of the subregional market which should not be considered as export market for each national economy but as a unified area on which social validation of national work is being done, engendering the abolition of customs duties, establishment of fixed parities over a common currency requiring an harmonization of economic and national monetary policies.

D. Priority Projects

143. In the light of the objectives, strategies and policies spelled out earlier, the priority sub-sectors for the second IDDA for the subregion could be categorized as follows:

(i) core and strategic industries

- Metallurgical industries (steel industry in particular);
- Mechanical industries (mechanical and metallic works);
- Electronic industries;
- Computer industry (hardware and software);
- Chemical industry (in particular pharmaceutical);
- Agro-industrial processing industry and related industries

(ii) Advanced technology industries

- Industries related to new energies;
- Biology, genetic engineering;

(iii) Support sectors

- Upgrading of human resources for industrialization;
- Development of quality and standard control units aiming at improving industrial productivity;
- Development of potentials for consultancy and industrial engineering (in particular design and manufacturing of capital goods);
- Setting up of subregional network of industrial and technological data banks.

(iv) Industrial maintenance

- Development and reinforcement of existing facilities.

(v) Mobilization of financial resources

- Investment promotion;
- Specialized forums and technical seminars.

(vi) Research and quality control

144. The above proposed sub-sectors for inclusion in the subregional programme are in line with the priority areas highlighted in the "Framework and Guidelines for Action" for the preparation of subregional programmes for the second IDDA and also follow the criteria that are suggested for pre-qualifying a project as subregional project. According to these criteria, the project should :

(i) provide inputs into the priority sectors spelled out in the Lagos Plan of Action and the Final Act of Lagos, i.e. food, transport and communications energy;

(ii) provide effective integration and linkages with other industrial and economic activities and infrastructures in the subregion;

(iii) utilize and upgrade, to the maximum extent possible, African natural resources (raw materials and energy) so as to benefit, first, the subregion, second, other African countries and third, non-African countries;

(iv) produce intermediates for further processing or fabricating in established or planned industries or

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produce engineering goods, particularly those related to food production and processing, building materials, textiles, energy,transport and mining;

(v) cater, first and foremost, directly or indirectly, to the basic needs of the peoples in the subregion and, if required, other African countries;

(vi) involve (a) economies of scale; (b) complex technology or upgrading of technology; (c) large investment and (d) market(s) beyond the reach of individual countries in the subregion;

(vii) offer scope for co-operation, especially among the African countries, in long-term supply and purchase arrangements for raw materials, intermediates and final products; subcontracting; barter; equity shareholding etc.

(viii) contribute to reducing the region's heavy reliance on external factor inputs;

(ix) offer actual or potential comparative advantage(s) over a similar project(s) in other groups of countries (African and non-African) particularly in respect of raw materials, energy and the infrastructure required;

(x) complement a related project(s) or an existing production unit(s) in the subregion;

(xi) earn foreign exchange through the export of its products and includes the upgrading of raw materials;

(xii) result in rehabilitation and rationalization of an existing production unit(s); and

(xiii) replace whenever practical, synthetic materials by natural materials, particularly those that are renewable.

E. Support Areas and Main Factor Inputs

145. The types of priority project identified in the previous sections need to be developed, promoted and implemented. Furthermore, the resulting production facilities should be operated efficiently and their outputs marketed and distributed. This will require support areas that also need to be promoted.

(a) Capability and capacity building

146. To carry out the above activities will require capabilities and capacities for inter-alia, carrying out pre-investment studies, bidding, contracting and negotiating, as well as erecting and operating plants. The North African subregion as a whole is endowed with almost all the natural resources required for the proposed projects with well concerted and coordinated efforts the countries concerned could ensure an efficient and rational exploitation of these resources.

147. It is also necessary to collect reliable information on indigenous small-scale business and prospective small-industrial entrepreneurs, including those of the informal sector, who should be provided the necessary assistance and support from the Government, through small-scale enterprise promotion centres. The small-scale sector could play an important role as ancillary industries providing the required inputs to large enterprises, especially multinational enterprises selected in the context of IDDA-2.

b) Financing

148. As indicated earlier, a major problem associated with the implementation of subregional industrial projects during the first IDDA was the mobilization of financial resources. In many countries in the subregion, this problem was compounded by precarious balance of payments, light public finances as well as heavy debt burdens. Therefore, after analyses of all the projects included in the subregional programme for the second IDDA have been carried out, an investment portfolio should be compiled for the subregional programme, which contains only projects that have been costed and found feasible and bankable.

149. In individual countries critical assessments should be made to align the policies and practices of domestic savings and investment institutions with subregional priorities as contained in the integrated industrial development programme. This should aim at establishing or strengthening such institutional arrangements as the national or subregional industrial development banks.

(c) Technology

150. The need to integrate science and technology into economic and social development cannot be over emphasized. Despite international actions and the efforts made by countries of the subregion, both individually and collectively, the science and technology base of the subregion is still weak. A concerted effort, therefore should be made at the national and subregional level to

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accelerate the development of a scientific base and thereafter the application of science and technology to industrial development.

151. Specifically, attention should be given to the assessment, selection and transfer of appropriate technologies and to the development of national scientific and technological capabilities. In this regard, the North African Sub-region should accord highest priority to the training of design engineers and devise appropriate contracting, procurement and purchasing policies as an integral part of their development strategy. Arrangements should be made at the subregional and regional levels for the joint negotiation and acquisition of technology.

(d) Energy and water

152. Many countries in the North African subregion are endowed with important sources of energy, in particular petroleum, hydroelectric power, natural gas, coal and peat, as well as new and renewable sources of energy, the development of which will require major investments far beyond the scope of individual countries. It is therefore, necessary for the countries of the subregion to intensify their co-operation in the development and utilization of their energy resources and work out a suitable legal, financial and commercial framework, in this regard.

153. Water resources are in abundance in the subregion. Properly exploited, these water resources could provide suitable zones of the development of industrial complexes as well as irrigation schemes. However, some countries are dependent on rainfall and ground water supplies. There is a need of ensuring an effective management of the available water, in order to be able to satisfy long-term requirements.

(e) Trade

154. North African trade is heavily oriented towards countries outside the subregion especially Europe. However major efforts are being made to increase trade between countries in the subregion and many agreements have been concluded, especially in the framework of AMU and the League of Arab States. UMA is also developing a trade strategy vis a vis African subregional and European groupings, particularly with the opening of the European market in 1993. The harmonization of protection systems and trade policies at the subregional level would contribute to a more effective subregional industrial development process.

(f) Transport and communications

155. The main characteristic of the transport and communication infrastructure of the subregion is that major cities have air or

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road links, while many rural areas are generally hardly accessible. The system needs to be improved significantly, given its importance to accelerating the process of rural development and supporting the subregional industrial promotion programmes. Also all North African countries have a sea port, which could be used in support of the industrial development of the subregion. However, efforts should be made to harmonize national port tariffs for a better utilization of existing facilities.

F. Institutional infrastructure

156. The effective implementation of the subregional programme will require the development or strengthening of industrial institutional infrastructure. A number of institutions exist at the national level, but they have not been sufficiently utilized. Action should thus be taken to overcome such deficiencies as a lack of manpower and financial resources to properly run those institutions.

III. MODALITIES FOR IMPLEMENTATION, MONITORING AND EVALUATION

A. Promotion and resource mobilization

Investment promotion

157. In view of the substantial financial requirements for the implementation of their development plans or reform programmes in general, and the IDDA programme in particular, the countries of the sub-region will need to adopt financial and macro-economic support policies aimed at stimulating both savings and investments (domestic and foreign). These policies should be accompanied by institutional arrangements such as reinforcement or creation of national or subregional banks to effectively channel resources in the priority areas. In the North African region, experience has shown that increased domestic mobilization of resources has often attracted foreign investors in both national and subregional joint ventures.

158. The financing of multinational projects could be mobilized with the assistance of the traditional international financial institutions namely the World Bank, Islamic Development Bank, Arab Fund for Economic and Social Development and the OPEC Fund. The North African subregion could cooperate with the investment promotion services of UNIDO and the investment promotion and development services established by UNDP, IFC, and ADB. Also, competent subregional organizations, in particular AIDMO, AMU, and the ECA MULPOC could closely collaborate with industrial promoters financial institutions, donor agencies and UN agencies to help for the mobilization of financial resources and ensure effective co-

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ordination of the financial and promotional activities of the programme.

Technical co-operation

159. The technical co-operation modalities for the programme should cover a number of areas as outlined below:

- organization of industrial cooperation meetings and round tables for investors;
- promotion of inter-country enterprises cooperation in the areas of production, technical and industrial training and Research and Development;
- Creation of production multinationals;
- Creation of a data bank and exchange of information and experiences on industrial and technological innovations;
- Updating of guidelines of principles, agreement models, contract types and industrial directories so as to facilitate industrial cooperation promotion among the North African countries;
- Updating of cooperation programmes between development banks and regional financial institutions;

160. UNDP as UN coordinating organs of technical cooperation, Amu, the ECA MULPOC and AIDMO could actively assume the co-ordination of the above mentioned activities. Also, UNDP, should play an important role in the mobilization of resources for the financing of support projects of the subregion's programme. These support projects would concern, in particular, pre-feasibility studies, feasibility studies, assistance in the identification of projects and promoters, and assistance in the establishment of multinational companies.

B. Co-ordination between Inter-governmental Organizations

161. The Economic Commission of Arab Maghreb Union, the Maghreb Industrial studies and information Centres already existing or to be created, the Arab Industrial Development and Mining Organization, and the ECA MULPOC have to be fully associated with the implementation, monitoring and follow-up of the subregional programme. These organizations should co-ordinate their activities especially with regard to;

(i) Work programmes;
(ii) Technical assistance to member States particularly to ensure that national programmes are not in conflict with subregional ones;

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(iii) organization of investment forums meetings and technical consultations, for the promotion of selected subregional projects; and

(iv) the actualization, regularly, of the programmes and projects of the Decade.

C. Coordination of National and Subregional Programmes

162. The success of the subregional programme will greatly depend on its co-ordination with national programmes, especially with respect to fiscal, monetary and trade policies, and related instruments and mechanisms. For the coordination, the following considerations are of vital importance:

(a) Member States of the subregion should be fully committed to the subregion's industrial programme, and projects in the approved subregional programme should be integrated in the development plans sponsoring countries;

(b) National coordination mechanisms with inter-governmental organizations should be established or strengthened with a view to ensuring the follow-up the implementation of the subregional programme;

(c) the strengthening of the Secretariats of the inter-governmental organizations to enable them fulfil their many potential functions in the implementation, monitoring and follow-up of the subregional programme for the second IDDA.

D. Creation of an Enabling Environment for Industrial Investment and Development

163. Although the implementation of the programme for IDDA-1 in North Africa was relatively satisfactory compared with other subregions, the success of the programme for the second IDDA will depend to a large extent on the efforts towards creating an enabling environment, especially appropriate policy options and directions. The various actions that need to be taken in this regard are outlined below.

1. Policy measures and reforms

164. In order to sustain a relatively rapid growth, governments of the subregion should respond to the performance of the domestic demand and devise legislative arrangements and regulations which

could help promote the industrial sector. To this effect, they should:

(a) encourage effective competition by eliminating the cumbersome licence systems which limited the capacity in most of the industries, and establish incentive to invest based on criteria consistent with efficiency and employment objectives;

(b) invest in infrastructure in order to reduce the high costs of industrial projects by inter alia setting aside industrial zones and establishing training institutions;

(c) improve credit access by establishing national and subregional financial institutions for the mobilization of domestic savings to finance industrial investments;

(d) apply policies such as selective nominal interest rates so that interest rates on loans for productive activities are not as high as those on loans for speculative activities;

(e) intensify capital formation, and increase budgetary allocation and in foreign exchange to be directed towards industries producing goods of primary needs with a view to reinforcing and diversifying production capacity of the subregion.

(f) set up at the sub-regional level a programme of industrial complementarity of core projects, based on the endowment in resources and on the joint participation with a view to optimizing the scarce investments and enlarge the markets.

2. Participation of private sector

165. A favourable climate should be established at national and subregional levels so that the private sector fully participates in the industrial development process. The important factors to be considered in this regard include political stability; the existence of a good infrastructure and adequate markets and an assurance of continuity in policy orientations to allow for some certainty in planning. Overall in order to have a successful participative approach which responds to designed policies and administrative structures, the following have to be closely examined.

(a) improvement of the business atmosphere by eliminating unnecessary controls, protecting ownership rights, and

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improving the image of the public sector vis-a-vis private sector;

(b) development of financial systems and information networks in order to accelerate the responses of private entrepreneurs (local or foreign), to new opportunities for industrial project creation or expansion, particularly in a subregional context;

(c) Establishment of conducive physical and institutional infrastructures, including transport and communication, banking, training, housing etc;

(d) encouragement of associations which assist entrepreneurs in defending their interests and in mobilizing resources.

(e) harmonization of legislations allowing a large contribution of private sector to the industrial development of the subregion through arrangements such as fiscal relief, credit bonus with preferential interest and provision of facilities.

(f) support to subcontracting arrangement especially through the networks of subcontracting markets, already initiated by some States with UNIDO.

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PART IV : THE WEST AFRICAN SUBREGION

I. EVALUATION OF SUBREGIONAL INDUSTRIAL COOPERATION IN THE FIRST IDDA

A. Concepts, Principles and Strategies of the First IDDA

166. During the first IDDA, the West African subregion adopted import-substitution industrialization policies and strategies as the quickest means of establishing national industrial bases. The concept of import-substitution industrialization was based, *inter-alia*, on the assumption that it will offer the possibility of acquiring experience in the modern industrial technologies. The countries of the subregion also thought that import-substitution is easy to implement through policies that protect domestic industries. It was also equally assumed that import-substitution would bring about the needed degree of industrial modernization and self-reliance.

167. Unfortunately for all the countries of the subregion, as elsewhere in Africa, import-substitution never proceeded further than the replacement of imported consumer goods and led to increases in imports of raw material, equipment, intermediate goods, and spare parts needed to produce the consumer goods. Import-substitution resulted in creating "industrial enclaves" with little value-added; and increasing foreign exchange requirements.

168. Import-substitution industries have concentrated mainly in light industry sub-sector and have not been structurally linked with the local resource base, especially primary agricultural inputs. These industries were mainly aimed at the limited urban segment of an already narrow national market with little potential for growth owing to low incomes. Most substitution industries suffered setbacks, leading some governments to adopt a number of restrictive measures which in turn reduced the flow of much needed appropriate technology and capital to the industrial sector.

169. Import-substitution policies have resulted in duplication of industries and projects in many cases in the subregion. This has adversely affected the level of intra-regional trade and industrial cooperation. Further, the policies and strategies of import-substitution and constraining domestic factors such as narrow markets, low income, reduced agricultural inputs have led to underutilization of existing manufacturing capacity in the subregion as a whole.

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B. Priority Areas

170. During IDDA I, the subregional industrial promotion programme accorded priority to projects that contributed, either directly or indirectly, to the subregion's is self-sufficiency in food production, as well as to those with upstream and downstream linkages. Emphasis was placed on a subregional strategy that focused on agro-based and agro-related industrial projects developed by intergovernmental organisations in the subregion. The main priority sub-sectors identified in the initial integrated industrial promotion programme were:

(i) agro- and agro-based industries

171. The subregional industrial promotion programme called for increased processing of agricultural produce as well as greater production and use of fertilizers, pesticides and agricultural machinery and equipment, as well as training in food-processing. It also called for increased subregional cooperation in order to facilitate the establishment of quality control laboratories, harmonization of standards and technology transfer.

(ii) Metallurgical industry

172. West Africa is endowed with large quantities of valuable metallic and other minerals. The present level of their exploitation brings little or no value-added to the economy of the subregion. Activities in the sub-sector are geared towards export. Yet, the metallurgical sector could become the foundation on which to build a solid industrial base, with a wide range of industries producing capital goods for local markets and export. The subregional programme gave high priority to the development of iron and steel industries, copper and aluminium industries through greater subregional cooperation.

(iii) Chemical industry

173. Self-sufficiency in food and agriculture being given high priority, the subregional programme stressed the need for the production and wide use of fertilizers and pesticides, which are essential to improving agricultural productivity. Emphasis was also placed on other chemicals and pharmaceuticals based on local resources and medicinal plants. Subregional cooperation was urged with a view to mobilising resources on a subregional level.

(iv) Engineering industry

174. The development of engineering industry was seen as essential for developing technology and providing the requisite

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machinery, equipment, spare parts and components for all economic and social activities.

(v) Building materials industry

175. Building materials industry is closely linked with all subsectors of the economy. The initial subregional programme had called for the intensified production of strategic building materials to meet the needs in shelter and physical infrastructure development. Greater use of local raw materials was called for.

(vi) Priority support areas

176. The initial subregional programme had equally retained a number of areas and services supporting industrial development such as agriculture, mineral resources development, energy, transport and communications, human and financial resources, technology and industrial institutional infrastructure.

C. Results and Constraints

177. If subregional industrial cooperation and integration means the establishment of joint and subregional efficient industrial and manufacturing enterprises and expansion of trade in industrial goods, then progress in subregional cooperation has been very limited in West Africa. After 25 years of effort by the countries of the subregion and despite the existence of a multitude of sectoral and multi-sectoral cooperation mechanisms, no multinational industrial project, with the exception of perhaps two unique cases, has reached the stage of effective implementation up to production. Indeed, the revised integrated programme for industrial promotion in West Africa could not be implemented given the fact that projects included in the programme remained either mere project ideas, or at pre-feasibility or feasibility stages. Some saw their implementation suspended or abandoned and some were redesigned as national projects.

178. This very disappointing performance of the programme of the Western African Subregion, was due to a number of national, subregional and external constraints. The major national constraints in the implementation of the subregional IDDA projects relate to: lack of or insufficient political will; low growth of agricultural value added; inadequate industrial policies, and strategies; poor institutional infrastructures; limited financial resources; underutilization of installed industrial capacities; and inadequate industrial and technological information.

179. At the subregional level, the most serious constraint to cooperation especially in the development of subregional projects

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was the scarcity of financial resources both local and foreign. In the present economic environment, it is very difficult to secure financial resources for subregional projects as most donors prefer and concentrate on national projects, although there is an increasing emphasis by some multilateral agencies, on economic cooperation. Subregional or national organizations entrusted with the task of carrying out studies for joint or multinational projects do not have neither the necessary budgetary allocations nor the skilled human resources for such activities. The diminishing flow of financial resources to the industrial sector, mostly as a result of the economic crisis of the 1980s, severely affected the capacity of the countries of the subregion to achieve the objectives of the IDDA. Moreover, most of the countries in the subregion are undergoing structural adjustment programmes (SAPs) which call for the disengagement of the State and the public sector from direct investment in industry. SAPs are also imposing a *de facto* moratorium on the creation of large scale industrial units and constitute a serious handicap to the rehabilitation and restructuring of existing industries. The SAPs also make it difficult to focus on a subregional dimension as they are always country-based.

180. At the international level, the major constraints for the West African subregion in respect of the implementation of the first IDDA are naturally similar to those in other subregions. However due to the weight of some of the countries in the subregion, especially Nigeria, factors like the fall in oil prices affected West Africa very seriously. All countries of the subregion suffered from an increasingly unmanageable debt burden, increasing interest rates, falling export earnings and decreased resource flows.

D. Linkages with the Second IDDA

181. The 1980's have been difficult years for the West African subregion. As noted above cycle of constraining factors, natural (drought, desertification, other natural calamities) and unfavourable external economic environment (falling export commodities prices,mounting indebtedness, decreased resources flows) have adversely affected the economic performance of the subregion. All economic and social indicators showed declining trends.

182. Overall, the initial subregional industrial promotion programme for West Africa and its individual core projects have not been implemented. Some projects have remained at conceptual stage, i.e. as project ideas, other abandoned owing to financial and other factor inputs constraints.

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183. Thus, the need for IDDA II. The programme of IDDA II will have to retain these projects and endeavour to implement them through renewed efforts in mobilizing domestic and external financial resources and other factor inputs based on subregional cooperation.

II. SUBREGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME FOR THE SECOND IDDA

A. Status of Industrial Development in the Subregion: Analysis of Sectoral and Sub-sectoral Issues

184. After almost 30 years of political independence, the economies of the West African countries remained characterized by a dominant agricultural sector both subregionally and at the level of individual countries. In 1987, the average share of agriculture in GDP at current factor cost was 41.33 percent against 33.35 per cent in 1983. However, there is a wide variation in the share of agriculture in GDP from one country to another. However the general trend in most of the countries is that the increasing share of agricultural output in GDP is generally coupled with the decline in industrial performance.

185. The industrial sector of the West African subregion is underdeveloped and narrow in terms of both structure and production. The share of industry in subregional GDP as current factor cost in 1987 was 19 percent and that of manufacturing sector was only 7.0 percent. The countries where industry has a relatively higher share in GDP, namely, Senegal (29.7 percent), Togo (26.3 percent), Liberia (26.5 per cent), Guinea (24.1 percent) and Mauritania (23.5 percent) are those with active mining and quarrying industries. The decline in the share of industry in GDP in the subregion as a whole was a result of very low, if not a negative, rates of growth of the sector. During the period 1986-1987, the industrial sector in the subregion grew by a mere 0.1 per cent in real terms (1980 constant prices). Five countries in the subregion, of which Côte d'Ivoire, recorded negative industrial growth rates in 1986-1987. Nigeria which has the largest industrial sector in West Africa recorded a growth rate of only 0.4 percent during the same year.

186. At the subregional level, manufacturing declined by -5.3 percent in 1986-1987 compared to a growth of 1.4 percent in the previous year. The main cause of the decline in manufacturing was the poor performance of the manufacturing sector in the economically most important countries in the subregion as evidenced by declines of -9.1 percent and -6.3 percent for Côte d'Ivoire and Nigeria respectively.

187. In view of the large size of the West African subregion in terms of the number of countries and the heterogeneity of these countries, it is important to have a clear picture of the structure of the subregion's industrial sector at a sub-sectoral level. It is only against such sub-sectoral background that priorities, programmes and projects at the West African subregional level can be appreciated. This sub-sectoral synopsis is presented below:

(i) Food and agro-based industries

188. Food and agro-based industries dominate generally the manufacturing sector in most West Africa countries. In 1987, the food and agro-based industries accounted for 45.2 per cent of manufacturing in Cape Verde, 37.3 percent in Côte d'Ivoire, 58.1 percent in the Gambia, 17.2 percent in Nigeria, 41.6 percent in Senegal and 40.6 percent in Togo.

(ii) Textile and clothing industries

189. The textile and clothing industries are the second largest branch of the manufacturing sector in most of the countries of the subregion. In 1987, such industries accounted for 17.2 percent in Burkina Faso, 11.9 percent in Côte d'Ivoire, 43.4 percent in Mali, 36.2 percent in the Niger, 11.2 percent in Senegal and 18.8 percent in Togo.

(iii) Paper and paper products

190. In the West African subregion as in most other African subregions most paper industries operate below capacity because of insufficient supply of raw materials, shortage of skilled manpower, aged equipment and machinery. In Côte d'Ivoire, a factory built in recent years has closed due to technical problems, poor design and management. In Nigeria Iwopin paper mill designed with a 500,000t capacity is half completed and could cost $150 million to be operational. While there is an increase demand in paper because of the rapid growth of population in the subregion, production by new investors will be constrained by the lack of financial resources for major investments into pulp and paper, inadequate knowledge of export opportunities and barriers to intra-African trade..

(iv) Chemical and pharmaceutical industries

191. Countries in the subregion with a sizeable chemical sub-sector are Nigeria, Ghana, Senegal and Côte d'Ivoire. Petroleum refining is important in these countries. The only recent addition in petrochemical facilities in the subregion occurred in Nigeria where new investments have been made in polypropylene and carbon black plant at Ekpan and Kaduna.

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192. In the area of fertilizers, the most recent addition to the installed capacity in the fertilizer plants is the National Fertilizer Company of Nigeria Limited (NAFCON) in Onne, River States, which is operational since 1987. The plant is running at full capacity and its products have gained wide acceptance in the international export markets. Another country in the subregion with fertilizer production facilities is Senegal. Industries Chimiques du Senegal (ICS) with an annual production capacity of 627,000t of sulphuric acid and 476,000t of phosphoric acid and a unit of 250,000t of fertilizers have been going through difficult years to the extent that some of the production facilities are highly underutilized or in process of being closed down. The production of phosphatic fertilizers is higher than the demand because of the low application of the fertilizers in the subregion. This situation could change dramatically if the modernisation of agriculture were to gain momentum.

(v) Metallurgical industries

193. The majority of the West African countries are highly dependent on overseas steel imports. Nigeria is the only country in the whole subregion which has started to produce local iron and steel since 1982. A few other countries such as Ghana, Mauritania, Togo and Côte d'Ivoire have established mini-steel plants whose aggregate production does not exceed 15,000 to 20,000t per year. The remaining ECOWAS member States import all their steel requirements, mainly from EEC countries.

194. It is estimated that direct steel consumption in the West African subregion amounted to 1 million tons per year during 1989 and 1990. This contrasts sharply with a figure of 2 million tons during the year 1980 and 1987. The whole subregion's current production capacity of two integrated iron and steel plants, ten mini-plants based on scrap melting and 15 re-rolling mills stands at 2.3 million tons per year for iron, 2.6 million tons for steel and 2.9 million tons for rolling.

195. In 1989, the revised integrated industrial promotion programme for the West African subregion has retained five projects in the iron and steel industry. Although these projects were identified since 1983 for implementation, they are still at conceptual stage.

B. Objectives

196. Industrial development objectives of the West African Subregion are unmistakenly to be found in the development programmes of the three major subregional intergovernmental cooperation institutions, namely the Economic Community of West

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African States (ECOWAS), the West African Economic Community (CEAO) and the Mano River Union (MRU). These subregional institutions aim at gradually building up larger economic spaces through subregional industrial cooperation in basic and core industries to lead, at the end, to a single economic community.

197. The major objective of ECOWAS is all embracing and seeks "to promote cooperation and development in all fields of economic activity particularly in the fields of industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters for the purpose of raising the standard of living of its peoples, of increasing and maintaining economic stability, of fostering closer relations among its members and of contributing to progress and development of African continent". To achieve the above objective, member countries of ECOWAS have pledged to eliminate all barriers to intra-ECOWAS economic, social and industrial activities. Specially in the field of industry, the Community has sought to coordinate and harmonize industrial development in the subregion through joint financing of technology transfer and development of new products, harmonization of measures for promoting industrial development and development plans, exchange of personnel to undertake the implementation of specific projects as well as joint project preparation in those areas that involve complementarity with other members of the Community.

198. The objectives of the West African Economic Community (CEAO) are to achieve an economic integration, to create a free-trading zone among its member States and to harmonize economic activities. Under its programme for industrial cooperation, 1988-1991, CEAO has given priority to the implementation of industrial projects in agro-industries, fertilizers, agricultural implements and pumps, and building materials as the core of the industrialization programme of its area.

199. Similar to ECOWAS and CEAO, the development programme of Mano River Union (MRU) aims at intensifying economic cooperation and accelerating economic growth. In the field of industrial development, MRU has endeavoured to promote a number of industries in pharmaceuticals, pulp and paper, wood, glass, fertilizers, food, animal feed, salt-based chemicals and spare parts.

C. Strategies and Policies

200. In the implementation plan of the initial integrated industrial promotion programme for West Africa, the measures outlined below were recommended for adoption at the national and subregional levels. Moreover, the strategy for accelerating the implementation of the IDDA-2 revised programme should take into

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consideration all those constraints which have prevented the initial as well as the revised IDDA-1 programme from achieving a high rate of implementation. Since those constraints are the responsibility of both the countries themselves and the subregional organizations, the successful implementation of the programme will require a series of measures at those two levels. In addition, such coordinating organizations as UNIDO, ECOWAS and the ECA-MULPOC Office for West Africa, have a catalytic role at both the national and subregional levels so as to bring about the effective implementation of the present programme for the second IDDA.

At the national level

201. It is important to emphasize that the success of the programme will be determined by the actions taken at the national level and by the policies and operational mechanisms adopted by governments. The actions, most of which are already being carried out by many countries in the subregion, include the following:

(a) Formal endorsement of the programme and its projects by Government;

(b) Incorporation of the salient features of the subregional programme and its projects in national industrial development plans, possibly incurring the need to adjust ongoing national industrial development plans;

(c) Allocation of the human, financial and physical resources needed to implement the projects;

(d) Strengthening or introducing operational mechanisms (e.g corporations, companies, commissions) responsible for follow-up, including project definition, pre-investment studies, investment promotion, and project-related consultations with other countries in the subregion;

(e) Promotion of projects among potential investors and financial institutions;

(f) If designated lead country, official submission of the project to financing institutions;

(g) On the basis of profiles for core investment projects, elaboration of detailed pre-investment studies, assisted by ADB, UNIDO and competent local industrial consultancy organizations;

(h) Improvement of domestic manpower capabilities and institutional capacities needed for the identification, preparation and implementation of projects.

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202. The endorsement of programmes and projects by the legislative authorities of subregional organizations requires the full support of the countries concerned. Governments, thus, need to ensure internal co-ordination among the ministries and organizations concerned in respect of the projects being promoted and maintain, as far as possible, consistency in terms of attendance and representation at meetings of the subregional organisations dealing with industrial co-operation.

203. The Governments of the subregion also need to involve the private sector, as necessary, as well as industrial consultancy and engineering organizations more extensively in the formulation and implementation of the projects retained in the subregional programme. A programme for the greater involvement of the private sector, especially national agents of production, planners and financial institutions, needs to be adopted. It is, therefore, essential that the support projects included in the revised subregional programme are accorded appropriate priority when implementing the programme.

204. Policies and programmes should be adopted with due regard to local conditions on matters relating to:

(a) The development of local industrial entrepreneurship and indigenization;

(b) The energy problem as it affects industrialization;

(c) The current constraints facing the public sector enterprises in most countries of the subregion and their linkage and complementarity with private sector enterprises.

205. A major constraint on effective project implementation is also the communications gap that exists between the various bodies within a country concerned with project preparation, promotion and implementation. This problem is compounded, in many instances, by the lack of identifiable focal points and national coordinating committees. It is strongly recommended that National Coordinating Committees for the IDDA or UNIDO as well as the Operational Focal Points for the IDDA should be strengthened or established, where they do no exist. Active working contacts should be maintained between these committees and operational focal points and the secretariats of the relevant subregional organizations and joint committees in order to ensure the successful implementation of the subregional programme.

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At the subregional level

206. The priority activities identified for the implementation of the second revised integrated industrial promotion programme at the subregional level are in line with the industrial priorities established by ECOWAS, CEAO, MRU and the ECA/MULPOC Office for the subregion. These activities include:

(a) Formal endorsement and implementation of the revised integrated industrial promotion programme by the intergovernmental organizations in the subregion, and inclusion thereof in their subregional development plans and programmes;

(b) Establishment and/or strengthening of subregional technical and sub-sectoral committees on a branch-by-branch basis to co-ordinate, monitor and advise Governments on the selection and implementation of subregional projects in each sub-sector;

(c) Provision by those intergovernmental committees of advice to Governments on the preparation, implementation, management and monitoring of the subregional industrial projects, including the definition of:

- The broad principles governing the relationship among the parties and specifying the co-operation arrangements in the areas of industrial production, and trade in industrial raw materials and products;
- The policies and supporting measures which the Governments concerned should pursue;
- Operational principles and measures, including mutual benefits or equitable treatment;
- Joint ventures involving such bodies as subregional corporations in the countries of the subregion, or member countries of the subregion and other subregions or statutory corporations and other enterprises;
- Co-production and specialization, including subcontracting and marketing, as an arrangement of particular importance to engineering-based core industries;
- Joint acquisition of technology and the mobilization of financial resources;
- Standardization and quality control.

(d) Preparation by the subregional intergovernmental organizations of the sub-sectoral studies included in the revised programme with a view to identifying clusters of economically viable projects integrated with other industrial branches and the remainder of the economy;

(e) Preparation by subregional intergovernmental organizations of rehabilitation studies on priority projects whose reactivation in the context of the subregional programme might prove economically and financially viable;

(f) Agreement among the countries in the subregion on the host country for each subregional core project and the respective roles of the others in implementing the core projects. This would include agreement on:

- Supply of the requisite raw materials and energy;
- Purchase of intermediate and final products;
- Equity shareholding, majority of which should be owned by African countries;
- Training and allocation of manpower to the project;
- Conducting R&D related to the project:
- Exchange of information;
- Management of the enterprise;
- Subcontracts, where feasible.

(g) Assistance by intergovernmental organizations and development banks in the subregion in the mobilization of financial and other resources, including investment promotion for the implementation of the subregional core projects;

(h) Strengthening or establishment of operational arrangements, such as subregional corporations or enterprises linked with corresponding national corporations, for the implementation of specific projects or complex of projects. In this regard, it should be noted that in establishing subregional enterprises aimed at a lasting and effective economic relationship, it may be necessary for each partner, particularly the Governments, to share in the risks and rewards of the

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enterprises and participate fully in the decision-making at the highest managerial level;

(i) Involvement of African chambers of commerce and industry or manufacturers and their associations as well as competent local consulting firms from the outset of the project, increasing their participation/involvement as the project develops.

207. In order to implement the measures proposed above, a number of policy actions will be required. These are predicated on the assumption that unless the productive capacity of the subregion is enhanced, the volume of trade will suffer. Since the promotion of trade between countries in the subregion bears implications for the currency arrangements between Member States, it would be desirable to ensure convergence in the compensation mechanisms among the countries of the subregion; a matter that should be considered by the subregional organizations concerned.

D. Priority Programmes and Projects

(a) Definition of the priorities

208. Within the framework of IDDA I programme for industrial cooperation in West Africa, a number of sub-sectoral programmes have been identified for promotion and a number of specific projects therein retained for implementation. The industrial sub-sectors are (a) agro-and agro-based industries; (b) metallurgical industries; (c) chemical industries; (d) engineering industries; (e) building materials industries. The West African subregion is largely endowed with natural resources in the sub-sectors listed above. Accordingly, the identification and selection of core projects in these priority sub-sectors are based on the principles of attaining self-reliance and self-sustained industrialization.

209. For the subregion as a whole, 43 core projects which would lay the foundation of capital goods industries in the subregion are retained in the ongoing subregional industrial promotion programme. These will be continued and will constitute the core of IDDA II programme. These projects are listed in Annex 4.

210. In line with the Lagos Plan of Action, the Heads of States and Government of the Economic Community of West African States (ECOWAS) adopted an industrial master cooperation plan that covers almost the same industrial sub-sectors as spelt out above, namely: food industries, agro-chemical industries; farm equipment industries; building materials industries; wood industries;

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telecommunications and electronic industries; petrochemical industries; pharmaceutical industries; iron and steel and metallurgical industries; motor vehicles and related industries.

211. The Economic Community of West Africa (CEAO) has a portfolio of subregional industrial projects whose studies have been already undertaken and relate to the development of fertilizer industries, metallurgical/iron and steel industries; agricultural equipment; agro-based industries; water pumps; and building materials.

212. Similarly, the Mano River Union has conducted a number of industrial studies for the establishment of Union industries. The sub-sectors could not include pharmaceuticals, paper, fertilizers, glass products, foodstuffs, wood, animal feeds, pneumatics, chemical products and spare parts.

213. The core projects contained in the subregional industrial promotion programme in the framework of IDDA I, the projects of the industrial master plan of ECOWAS and Mano River Union projects do form a basis for an expanded IDDA II programme. In addition to these core projects the Integrated Industrial programme for the West African subregion has retained 14 support projects whose implementation would facilitate and accelerate the execution of the core programme. These projects are also to be retained as part of IDDA II subregional programme for West Africa and are also included in the Annex 4.

(b) The use of programme approach for programme IDDA II

214. It may be recalled that, the Ninth Meeting of the Conference of African Ministers of Industry endorsed the use of programme approach in the formulation of the IDDA programme. The programme approach is applied at three levels: namely, sectoral typologies, indicative programmes and individual country programmes.

(c) Criteria for selecting multinational and subregional industrial core projects

215. For an industrial project to qualify as a multinational or subregional core project, in the West African subregion it should meet all of the basic requirements and one or more additional requirements as below:

Basic requirements

(a) Provide inputs into the priority sectors spelled out in the Lagos Plan of Action and the Final Act of Lagos, i.e. food, transport and communications and energy;

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(b) Utilize and upgrade, to the maximum extent possible, African natural resources (raw materials and energy) so as to benefit first the subregion, second other African countries and third non-Africa countries;

(c) Produce intermediate good for further processing, industries or engineering goods, for other industries particularly those related to food production and processing, building materials, textiles, energy, transport and mining;

(d) Cater, first and foremost, to the needs of consumers;

(e) Involve economies of scale, appropriate technology or upgrading of technology, large investment and market(s) beyond the reach of individual countries in the subregion;

(f) Offer scope for co-operation, especially among the African countries, in long-term supply and purchase arrangements for raw materials, intermediates and final products; subcontracting; barter; equity share holding etc.;

(g) Contributé to reducing the subregion's heavy reliance on external factor inputs.

Additional requirements

(a) Offer actual or potential comparative advantage(s) over a similar project(s) in other groups of countries (African and non-African), particularly in respect of raw materials, energy and the infrastructure required;

(b) Complement a related project(s) or an existing production unit(s) in the subregion;

(c) Earn foreign exchange through the export of its products and include the upgrading of raw materials;

(d) Result in rehabilitation and rationalization of an existing production unit(s);

(e) Replace, whenever practical, synthetic materials by natural materials, particularly those that are renewable.

E. Support Areas and Main Factor Inputs

216. One of the greatest constraints to successful industrialisation in Africa is the heavy or absolute dependence on foreign factor inputs. It is therefore pertinent to assess how

different support areas and factor inputs can be strengthened to contribute to the industrialisation of the West African subregion. Factor inputs are in this context defined to include: entrepreneurs; managers; professional and skilled manpower; raw and intermediate materials; equipment, parts, implements and tools; technology; physical infrastructure; basic services and institutional infrastructure. Aspects of strengthening some of these are discussed briefly below:

1. Programmes to strengthen human resources and technical capabilities

(a) Development of entrepreneurship

217. Policies have to be developed to attract investors in industry and upgrade informal sector operators into small and medium-scale industrialists. African governments and public establishments in charge of promoting industrial development should draw programmes for the development of entrepreneurial capabilities and training of entrepreneurs in various industrial fields. Actions to this end should include: (i) identifying the class of people to be trained as entrepreneurs, i.e. technical schools graduates; school leavers, retired civil servants; skilled craftsmen in the informal sector; (ii) preparing learning packages and investment opportunity profiles; (iii) developing a package of incentives and head-start programmes including soft loans, guaranteed loans, low equity contribution; (iv) using local consultants for industrial studies and extension services; (v) identifying growth poles and negotiating ancillarisation and subcontracting.

(b) Training and skills development

218. A national and subregional skills development policy should be established in the West African subregion. This policy should first of all conduct a general and specific census of existing skills and facilities with a view to:

- assessing the country's or subregion's manpower requirement for industrialization both in terms of numbers, areas and skills levels;

- identifying gaps which need to be filled.

219. Then, secondly, the policy should move into an operational stage by designing programmes to fill the gaps identified at the subregional level.

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(c) Development of technological capabilities

220. Policies for the development of technical capabilities should include, inter-alia, skills in project identification, preparation of feasibility studies, supervisory and management skills, engineering skills of all kinds, industrial and financial planning skills, skills for negotiation in the procurement of technology, equipment, consultancy services, plant erection and installations etc. To this end, the countries of the subregion should individually or collectively take the following steps:

- review the curricula of institutions of higher learning with a view to reorienting them towards providing skills mentioned above;
- establish centres with excellence of specific technical skills training facilities;
- strengthen existing science, technology and research institutions in terms of technical staff, financial resources and capacity building;
- developing/training programmes emphasising skills acquisition through joint ventures, training as part of technology acquisition; etc.

2. Development of physical infrastructure

221. The intention of policy makers and planners to create internal engines of growth which include industrial development, the better utilization of natural resources, the expansion and consolidation of domestic markets and the combination of national markets through economic cooperation is faced with the necessity to alter considerably the present pattern of physical infrastructure to cater for the new objectives and purposes. Physical infrastructure is dominated by the building and construction industry which often takes up to 30 per cent or more of plan expenditures and which is today characterized by considerable dependence on imports of materials, equipment know-how and other factor inputs. Indeed, there is a strong case for the internalization of factor inputs supply for the many sub-sectors of physical infrastructure. The quality and density of physical infrastructure have a bearing on the success or failure of an industrialization process especially at the subregional level. The second United Nations Transport and Communications Decade for Africa should put particular emphasis on the element of an integrative physical infrastructure.

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3. Development of institutional infrastructure and basic services

222. The institutional infrastructure and services in support of industrial development in West Africa have been inadequate in terms of providing entrepreneurs with critical technical advices, technical studies, basic data and other decision-making instruments. In most countries of the subregion, institutional infrastructure to industry are embryonic or inexistent. If the objectives of IDDA II are to be achieved, West African countries should establish adequate and efficient support institutional infrastructure and basic services to industry.

223. First of all there is need to clearly identify the various agents that should be involved in the institution-building process. Broadly these should include, at least, the following:

(i) Government agencies in charge of policy-making, developing information and data bases, planning, project development and monitoring;

(ii) public and private agencies concerned with human resources development, viz entrepreneurship, management, professional and skilled manpower;

(iii) business enterprises concerned with raw and intermediate materials;

(iv) business enterprises and government agencies responsible for the mobilization and redeployment of financial and real factor input resources of domestic and foreign origin, viz banks and financial service institutions, stock markets, labour markets, commodity markets, management and technical assistance, etc.

224. Secondly, there is the need to define the roles especially of the public and private sector:

225. Some of the most important areas to consider in this respect include: (i) public enterprises, (ii) the private sector, (iii) financial institutions and (iv) other support institutions.

(i) Public enterprises

226. In the absence of a truly indigenous private sector, public sector has had a dominant role in African countries. For the effective implementation of the programme of the IDDA II, public sector should run economically and efficiently i.e. it should provide adequate return on investment. To this end, public sector

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should be run professionally, given a much greater management autonomy and free from political and bureaucratic pressures.

(ii) The private sector

227. African industrialization has not been successful for want of a truly indigenous industrial private sector. For an African industrialization process to take place, the West African subregion should spare no efforts in developing and building up a truly indigenous private sector with particular focus on the following aspects:

- developing and implement entrepreneurship training schemes
- providing loan finances at concessional terms
- providing more liberal licensing
- encouraging nationals living abroad to return home as investors;
- encouraging closer interrelationships between public and private enterprises through subcontracting arrangements, etc.

(iii) Development finance, resource mobilisation and redeployment

228. Finance is a critical factor input in any programme implementation. In Africa development finance and resource mobilization efforts are handicapped by the often precarious state of countries, balances-of-payment, their public finance and budgets, as well as particular the predominant agricultural sector. Debt burden and repayment are other serious obstacles to investment capabilities in African countries. The state of development finance and resource mobilisation is characterized by the declining earnings from commodities exports, declining flows of official aid and private investment in Africa, and the financial drains caused by the poor performance of many public enterprises and other resources leakages. Governments should endeavour to mobilize their internal financial resources through effective and efficient tax or revenue earning measures coupled with the implementation of fiscal, industrial and other policies which stimulate savings and investment.

229. Considering the economic crisis Africa is going through, the funds which African countries can mobilize will hardly be adequate for the investment plans of the second IDDA at both the national

and subregional levels. Consequently African countries would have to attract foreign capital, preferably in the forms of equity in joint ventures with domestic investors. For this, an enabling environment for investment needs will have to be created. Special institutions and mechanisms such as investment centres or national investment commissions may have to be established. At the West Africa subregional level the publication and dissemination of investors guides and investment portfolios giving details of investment opportunities, investment laws and facilities would be very useful.

(iv) Other supporting institutions

230. In addition to the structures and mechanisms suggested above in support of industrial development, the following supporting institutions need to be fully involved and strengthened.

- Technical schools and universities;
- Enterprises supplying raw materials;
- Enterprises involved in the distribution system;
- Research and development bodies;
- Firms providing consultancy services;
- Firms qualified in the preparation of feasibility studies and project reports;
- Quality control and standard bodies;
- Development banks;
- Commodity markets;
- Stock exchanges;
- Chambers of commerce and industry;
- Professional bodies;
- Trade unions

III. MODALITIES FOR IMPLEMENTATION, MONITORING AND EVALUATION

A. Promotion and Financial Resource Mobilization

231. Self-reliance and self-sustainment imply a greater emphasis on relying on domestic factor inputs. Finance is perhaps the most critical one among them. At the subregional level, actions intended to mobilize development resources include, inter-alia, the following:

(i) Reviewing and strengthening subregional financial institutions and linking them effectively to mobilize syndicated resources;

(ii) Mobilization of subregional resources through subregional banks and funds through joint financing and cross equity entures;

(iii) Organizing investment fora and roundtables with a view to mobilizing necessary resources for the implementation of subregional programmes;

(iv) Strengthening cooperation between Central Banks;

(v) Encouraging cross equity participation by Governments;

(vi) Securing seed money for starting new institutions;

(vii) Removing tariffs on raw material base;

(viii) Developing regional and subregional energy consumption network as cooperation in energy conservation may lead to surpluses that can be channelled to industry.

232. Other forms of generating additional resources for development include the formulation of income-generating programmes and projects, attainment of higher productivity, improvement in the performance of public enterprises, preventive maintenance, production of spare parts and the advancement of development capabilities and entrepreneurship.

233. Foreign investment will be needed as it is a major source of capital investment in industry. Bilateral, and multilateral sources of assistance as well as foreign and private funding sources should all be tapped. ECDC, TCDC, south-south technical and financial co-operation should play an increased role in the implementation of the second IDDA programme.

B. Coordination among Intergovernmental Organisations

234. There is need for effective coordination among intergovernmental subregional organisations for the efficient monitoring of progress in the implementation of the IDDA programme. The West African subregion, having the highest number of sectoral and multi-sectoral IGOs, will have to harmonize and reconcile its IDDA subregional programme with ongoing IGOs projects and programmes. ECOWAS being the only IGO in the subregion of which all countries of the subregion are members should play the lead role.

C. Coordination of Subregional and National Programmes

235. Considering that subregional programmes are of national programmes, mechanisms should be created to coordinate the implementation processes of both national and subregional programmes. This role can be played by respective IDDA national committee(s) and IDDA subregional committee(s). This way, the

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various factor inputs required could be identified and mobilized. It would equally be desirable to evaluate, on a two-years basis, the implementation of the subregional programme.

D. Creation of Enabling Environment for Industrial Investment and Development

236. In addition to providing physical and institutional infrastructures to support industrial development, African Governments and policy-makers should endeavour to make available more attractive incentives to indigenous and foreign investors. In addition to incentives, some of the factors of an enabling environment that should be addressed at the national and subregional levels include: political stability; favourable terms of transfer of profits and the repatriation of capital; absence of discrimination against foreign ownership and control; freedom from burdensome regulations with tariff and fiscal concessions; exemption from import duties on material and equipment inputs to production; tax holidays over a reasonable span of time; investment guarantee, etc.

237. In furtherance of industrial objectives, the Governments should undertake other policy measures and reforms conducive to a healthy investment climate both for indigenous and foreign investors. If the implementation of IDDA is to be successful, the participation of the private sector, in particular the indigenous private sector, has to be encouraged with all possible policies and measures.

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PART V: THE REGIONAL PROGRAMME

I. EVALUATION OF REGIONAL INDUSTRIAL COOPERATION DURING THE FIRST DECADE

A. Concepts, Principles and Strategies for the First IDDA

238. In the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL) regional integration and co-operation was a major theme with the acceleration of the pace of industrialization as a core part of the development strategy. It also provided a conceptual and planning framework for Africa's economic co-operation and integration.

239. The basic concept that was fundamental to the first Industrial Development Decade for Africa (1980-1990) was self-reliance and self-sustainment as elaborated in the LPA. The major goals of IDDA were, therefore, to make the industrial sector fully contribute to the realization and achievement of collective self-reliance and self-sustainment. It meant, in practical terms, the building up of capacities to produce goods and services competitively based on use of domestic resources, for the regional market with surpluses for overseas markets. This was to be achieved, over time, through the development of indigenous industrial, entrepreneurial, and managerial capabilities.

240. The Lagos Plan of Action stressed the following specific measures for the promotion of Intra-African Self-reliance and acceleration of industrial development:

(a) Policy measures, mechanisms and actions at regional and subregional levels to:

(i) monitor industrialization;

(ii) promote trade in industrial manufactures; remove customs and trade barriers including the harmonization of tax systems;

(iii) encourage consumption of industrial products manufactured within the subregions.

(b) Institutions:

Strengthening of existing and creation of new desirable multinational, regional and subregional institutions such as:

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(i) the African Regional Centre for Technology;

(ii) the African Regional Centre for Engineering Design and Manufacturing:

(iii) the African Industrial Development Fund and other project financing institutions;

(iv) Institutions for making inventories of and exploitation of shared natural and mineral resources;

(v) African Regional Centre for Consultancy Services:

(vi) Institutions to promote exchange of information as well as increasing flows of and the acquisition of technology.

(c) Industrial complexes

Formulate and implement policy measures (including preparation of plans and giving high priority at national subregional and regional levels):

(i) achieving further utilization of existing industrial productive capacity;

(ii) creation of major industrial complexes whose costs and production capacities would exceed national financial, technical and absorptive capacities;

(iii) through joint ventures as well as bilateral and multilateral industrial cooperation, undertaking the establishment of multinational basic industries such as metallurgical, engineering, chemical food and agro , which have high investment costs with a large volume of production;

(iv) increasing the exchange of information regarding technical specification, financial and cost details related to experiences on contracts for industrial projects implemented by developed countries with a view to minimizing costs for lessons learnt, especially those arising from the weakness in negotiation capacity of developing countries.

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B. Priority Areas

241. At the regional level, steps were to be taken to identify and formulate common strategies for the development of priority heavy industries based on pooled resources. Another priority was the establishment of consultation and negotiation mechanisms with the help of international organizations principally OAU, ECA UNIDO and UNDP along with the strengthening of regional institutions including IDEP, ARCT, ARCEDEM, AIDF, ADB, AIHTTR, AIPO, ARSO as well as establish others as necessary.

C. Results and Constraints

242. The main target of the first IDDA at the regional level was to build a consensus around the concepts, principles and operational mechanism outlined above. However, as at the national and the subregional levels, the promotion and implementation of an integrated industrial promotion programme at the regional level has fallen short of expectation. In terms of a multinational industrial enterprise, there seems to be no regional industrial project that was implemented during the decade since there is no record of projects in which a number of countries from various subregions have invested jointly during the first IDDA. There were however industrial institutional projects which were promoted at regional level. Also in this regard, institutional support projects such as ARCEDEM were indeed examples of first IDDA regional projects.

243. The constraints that can be attributed to the poor performance of the regional component of the first IDDA include the lack of coordination among lead countries and among subregional and international organizations. The industrial strategies and policies by subregional organizations and Member States often lacked consistence. The regional institutions did not push hard in their operations. On the whole therefore lack of progress at the regional level can be summed up under three categories of constraint namely: political, institutional and financial. Another major constraint that limited progress was that of financial resources.

D. Linkages with the Second IDDA

244. The Lagos Plan of Action and the Final Act remain basically valid while the implementation of the first IDDA programme fell short of expectation, the basic principles and strategies will continue to be valid for the second IDDA. Many of the projects which were selected for the first IDDA should, therefore, be planned for implementation or completion during the second IDDA.

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245. The regional programme for the first IDDA focused attention on the following priority activities:

(a) preparation of sectoral policies and programmes for the strategic and basic industrial branches

(b) identification of major projects to promote the development of basic industries in specific countries of the subregional

(c) strengthening or establishing institutions to promote the establishment of multinational enterprises and attainment of subregional industrial integration

(d) establishment of modalities for industrial cooperation such as negotiation of industrial agreements and protocols between governments, industrial enterprises including special collaboration between specific industrial branches and subsectors.

246. In the second IDDA, industrialization through the widening of the subregional markets, linking up production processes across countries and contributing to the creation of a basis for a regional common market and an eventual African Economic Community remain fundamental goals. In the second IDDA it will be necessary to strengthen and consolidate the political will by ensuring stability and creating an enabling environment for industrial development and integration. This must be undertaken for industrial development and integration. This must be undertaken in parallel with strengthening the supportive infrastructure; building regional industrial capabilities; restructuring subregional institutions and, improving criteria for regional project selection.

II. REGIONAL DEVELOPMENT PROGRAMME FOR THE SECOND IDDA

A. Status of Industrial Development in the Region

247. For the African region as a whole the share of the manufacturing sector in total GDP remained more or less constant at around 9 per cent throughout the 1982 - 1985 period. It increased slightly to an average of about 10.9 per cent during the period 1985 - 1989 reaching a share of 11.6 per cent in 1989. The average annual growth rate of manufacturing value added for developing Africa, increased during the last three years of the improvement in the growth of the manufacturing sector was due partly to exceptionally favourable weather conditions in many parts of the

continent and partly due to a slight increase in capacity utilization.

248. Overall, the performance of the manufacturing sector during the 1980s was poor in most African countries. The sector as a whole recorded small or negative growth rates in most African countries with the exception of a few countries in North Africa. The sector has not played its expected transformational role of African economies and it has remained a relatively stagnant sector since the 1960s in terms of its structures, its internal linkages and its contribution to the economic growth of the region.

B. Objectives

249. As indicated in the industry chapter of the draft treaty of the African Economic Community, the objectives of the industrial development programme for the region are to:

(i) create within the African Economic Community an appropriate environment which will attract the necessary resources for the modernization of priority sectors and the acquisition of the necessary investments for self-sustained development

(ii) harmonize within the African Economic Community ways and means of facilitating the trade in industrial products and the creation of multinational enterprises in priority industrial sub-sectors which could contribute to: the development of agriculture; transport and communication, local natural resources and energy; increased flow of investment resources.

250. Article 49 of the African Economic Community Treaty specifically states that in order to create a solid basis for the industrialization process and promote collective self-reliance, Member States shall:

(a) Basic industries

ensure the development of the following basic industries essential for collective self-reliance and modernization of the priority sectors of the economy:

(i) food and agro-based industries;
(ii) building and construction industries
(iii) metallurgical industries
(iv) mechanical industries
(v) electrical and electronics industries
(vi) chemical and petro-chemical industries
(vii) forestry industries

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- (viii) energy industries
- (ix) textile and leather industries;
- (x) transport and communications industries;
- (xi) bio-technology industries

(b) Intermediate and small-scale industries:

- (i) ensure the promotion of intermediate industries that have strong linkages to the economy so as to enhance the local component of industrial output within the community;
- (ii) ensure the promotion of small-scale industries to enhance employment generation in member states;
- (iii) promote the sale and consumption of strategic industrial products manufactured in member states;

(c) Multinational industrial enterprises and industrial cooperation:

- (i) prepare master plans at regional and community levels for the establishment of African multinational industries particularly those whose construction cost and volume of production exceed national, financial and absorptive capacities;
- (ii) facilitate the establishment of African multinational enterprises and encourage and give financial and technical support to African entrepreneurs;
- (iii) promote specialization taking into account national and regional resource endowments to enhance the complementarily of African economies and expand the intra-Community trade base;
- (iv) promote South-South and North-South cooperation for the realization of industrialization objectives in Africa;
- (v) promote technical cooperation and exchange of experience in the field of industrial

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technologies and implement technical training programmes among member states;

(d) *Institutions:*

(i) strengthen and establish, where they do not exist, specialized institutions for the financing of African multinational industrial projects;

(ii) strengthen the existing multinational institutions, particularly, the African Regional Centre for Technology, the African Regional Centre for Engineering Design and Manufacture and the Industrial Development Fund for Africa;

(iii) establish a data and statistical information base to serve industrial development at regional and continental levels;

C. Strategies and policies

251. In order to attain the above objectives, for the second IDDA regional programme member states should commit themselves at the regional level to:

(i) ensure the development of strategic core industries and small scale industries for collective self-reliance, for the modernization of priority sectors; and for the promotion of employment;

(ii) ensure the promotion of industries producing intermediate goods in order to reduce the traditional dependence on imported inputs;

(iii) promote technical co-operation and exchange of experiences in the fields of industrial technologies and implement technical training programmes among member states;

D. Priority Programme and Projects for the Region

252. The programme for the region of Africa should naturally be rooted in the objectives of the Treaty of the African Economic Community which underline, *inter alia,* the promotion of economic, social and cultural development and the integration of African economies in order to increase economic self-reliance and the endogenous and self-sustained development. Within this broad

integration framework the following approaches to the elaboration of regional programmes for the second IDDA are recommended:

(a) Regional programmes can be derived from national and subregional programmes, even in case where the national or subregional bodies have not specifically indicated that the programmes concerned should be promoted as regional programmes. Examples of such programmes/projects are those that will depend on the regional market for inputs and sale of products or those that have the capacity to produce inputs, including intermediate inputs to meet the demand of other industries in the region;

(b) The areas of priority already indicated in the LPA and in the African Economic Community Treaty should also serve as a basis for formulating regional projects and programmes for the second IDDA.

(c) Environmental concerns related to national, subregional and regional industrialization and global environmental issues.

253. At the project level, a multinational industrial project, to be qualified as a regional project should;

(a) contribute to a high degree of self-sufficiency for them as a whole;

(b) provide effective integration and linkage with other industrial and economic activities and infrastructures in the region;

(c) utilize and upgrade, to the maximum extent possible African natural resource so as to reduce the over dependence on external inputs;

(d) promote the development of entrepreneurial and technological capabilities in the region;

(e) offer scope for co-operation, especially among the African subregions.

E. Support Sectors and Main Factor Inputs for the Industrial Development of the Region

254. For the region as a whole, there will be a need for preparation, promotion and co-ordination of key basic industries

projects that are envisaged to serve as a means to industrial take off for the region as a whole and member countries of subregions concerned in particular. The following key areas and projects have been identified.

(i) regional prospection, exploration, development, mining and processing of key minerals resources such as iron ores, ferro-alloying minerals, bauxite, non ferrous metals, industrial minerals and chemical industry raw materials to provide inputs to existing metallurgical, chemicals and fertilizers industries in the region especially joint projects are envisaged between North, West and Eastern Africa in the Iron and Steel and aluminum sub-sectors.

(ii) full utilization of existing energy sources such as installed hydro-electric facilities through regionally inter-connected systems and development of different forms of energy resources to back-up existing sources and the full development of energy supplies and sources of fuel to the metallurgical engineering,transportation and the manufacturing industries. Joint projects are envisaged between central, north, western, and Eastern African subregions.

(iii) development of appropriate skills for industrial and technological take-off;

(iv) integration of the transport and communication networks;

(v) strengthening the region's industrial institutional infrastructure;

(vi) mobilization of financial resources to support the regional industrial programme.

255. In each of these six areas, the most urgent actions, in the context of the regional programme for the second IDDA, relate to the consolidation and increasing the effectiveness of the different regional institutions as follows:

(a) in the mineral sector the Central African Mineral Resources Centre (CAMR) and the East African Mineral Resources Centre (EAMRC) should be strengthened so as to be able to cater for the needs of the whole region;

(b) in the energy sector, the Organization of African Petrol Exporting Countries (OAPEC) should be made to play a more catalytic role; the creation and operationalization of an

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African Energy Commission should lead to a rationalisation of energy supply at the regional level;

(c) in the field of human resources the essential element is to increase the effectiveness of regional institutions like the Eastern and Southern African; Management Institute (ESANI), the Institute of Development Economic Planning (IDEP), the African Regional Centre for Engineering Design and Manufacturing (ARCEDEM), Africa Regional Standardization Organization (ARSO), ARIPO; Academy of science and Technology;

(d) for transport and communications, there is need to increase the co-ordination between the activities of the second IDDA and the second United Nations Transport and Communications Decade for Africa (UNTACDA) especially at the regional level.

(e) to mobilize financial resources at the regional level, the special role of the African Development Bank (ADB) and the African Development Fund (ADF) should be enhanced and consideration should be made regarding a possible establishment of an African Industrial Development Fund (AIDF).

III. MODALITIES FOR IMPLEMENTATION AND EVALUATION

256. Ultimately, the emergence of an African Economic Community will depend on the effectiveness in the implementation of sectoral programmes. If industrialization coupled with the widening of regional markets and linking up production processes across the countries has to be the engine of growth, several challenges have to be met. At the regional level these include the political will, coordinating policy reforms at the subregional and regional level, financial resource mobilization at the regional level and coordination of regional organisations.

A. Strengthening the Political Will

257. Unless the political will and perseverance are strengthened, the momentum towards economic integration will not be sustained. Further, the sense of identity and solidarity should not reside only with the political leadership but must permeate through the government bureaucracies and through to the people.

258. Strengthening the political will requires the involvement of social, economic, business, and labour organizations. These groups

have interests in supporting or opposing certain measures taken to integrate the economies. Involving them at all the stages of the formulation and implementation of the regional projects and programmes will be fruitful.

B. Enhancing the Regional Dimension of Policy Reforms

259. There is now a widely accepted view that Africa's problems are deep rooted and structural in nature. The challenge is to achieve a genuine transformation of the production structures - shifting from primarily agrarian societies into modern industrial economies to all development.

260. But still, many African countries will have to pursue structural adjustment programmes. While some programmes have been designed with the assistance of the World Bank and the International Monetary Fund, others have been completely "home grown". The essential dimension that must be explicitly introduced in future adjustment is that of coordinating policy reforms among the countries to reduce neutralizing factors between countries.

C. Promotion of Financial Resource Mobilization

261. At all levels, the experience within the context of the first IDDA was of programmes held at ransom by financial constraints. It is therefore essential that wide publicity is given to all possible actors on the needs and benefits that can accrue to the countries individually and collectively through increased investments in projects in priority lists.

262. Implementation of projects contained in the present subregional and regional priority areas for the second IDDA requires funds usually beyond the capacity of a single nation. Therefore combined efforts will be called for to mobilise resources for regional projects. The range of sources of financial resources available to member States which include the regional and international financial institutions as well as donor agencies or countries must be sensitized to the need for funding regional programmes in line with the aims of the integration of the African economy.

D. The Role of the International Community

263. As Africa endeavours to emerge as a single market in the long-term, mobilizing support of the international community will be

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crucial. In fact, the establishment and profitable operation of basic industries (metallurgical, chemical and engineering) and agro- and agro-based industries require important investment which Africa alone could not afford. The international community, particularly the international financial institutions should therefore provide substitutional assistance to African countries for the integrated industrial development of their region. These institutions must also start to focus on regional industrial projects and programmes.

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PART VI : MONITORING AND FOLLOW-UP OF THE IMPLEMENTATION OF THE SUBREGIONAL AND REGIONAL PROGRAMMES

A. Monitoring, follow-up and reporting mechanisms

264. A pre-requisite for the effective implementation of any programme or project is the development of an efficient organizational and administrative structure that permits its continuous monitoring. Performance evaluation and identification of problems with proposals for remedial actions where necessary. This would enable policy-makers, programme managers and project officers to review and appraise the implementation. This would also contribute to the development of a feed-back mechanism linked to the planning exercise for the next plan period. Since changing conditions make deviations from original targets inevitable, progress must be reviewed and assessed in relation to prevailing conditions so that potential (or existing) bottlenecks can be identified as soon as possible, their causes determined and an evaluation made of the extent to which deviations jeopardize the attainment of set objectives. Therefore, in order to ensure an effective execution and coordination of the subregional and regional IDDA programmes, the following mechanisms are proposed at the subregional, regional and international levels.

(a) At the subregional level

265. In order to monitor progress in the implementation of the IDDA programme, there is need to establish at the subregional level within the framework of existing organs such as MULPOCs and IGOs an Industrial Promotion Coordinating Committee, whose function will be to coordinate the formulation and implementation of all industrial programmes in the subregion and report periodically to the legislative body of the subregion. Such a body, may be supported by a number of Sub-sectoral Strategic Management Committees in such sub-sectors as metallurgical, engineering, agro-chemical industries, basic chemicals and pharmaceuticals, building materials industries, etc. These committees should include representatives of Governments, public and private enterprises from each country operating in the sub-sector, organized interest groups such as chambers of commerce, manufacturers' associations, national and regional financial institutions, etc.

266. The role of the Industrial Promotion Coordinating Committee and of Sub-sectoral Strategic Management Committees is to assist the governments and lead subregional organizations for better and effective monitoring, evaluation and reporting on the progress in the implementation of the subregional IDDA programme at the subregional and sectoral levels. Such structures would also

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contribute to the harmonization of the implementation processes of national and subregional programmes respectively.

(b) At the regional level

267. There are already two important mechanisms at the regional level dealing with industrial development matters, i.e. the Intergovernmental Committee of Experts of the Whole on Industrialization in Africa and the Conference of African Ministers of Industry. These two important organs could play the role of monitoring the IDDA programme at the regional level. Accordingly, it is suggested that national coordinating mechanisms and subregional coordinating mechanisms would report to the Intergovernmental Committee of Experts of the Whole on Industrialization in Africa which in turn would report to the Conference of African Ministers of Industry.

(c) Coordination of subregional and national programmes

268. Strengthening and rationalization of coordination mechanisms between the subregional and national levels is a key factor for the success of the programme. The coordination is required at two levels, namely at the level of implementation of subregional and national projects and at the level of implementation of national and subregional support services.

269. The co-ordination of the subregional and national programmes should include national, subregional and regional modalities and mechanisms for:

(a) Consultations with a view to:

- (i) ensuring co-operation from all countries, from both government and private sector, with subregional organizations to prepare and periodically revise the subregional programme for the second IDDA as the need may be;
- (ii) incorporating the salient features of the subregional programme and its projects in national industrial development plans, and in national programmes for the second IDDA possibly involving the need to adjust ongoing national development plans;
- (iii) obtaining agreement among the countries in the subregion on the host country for each agreed multinational investment project and the

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respective roles of concerned member countries in the implementation.

(iv) obtaining formal endorsement for the implementation of the subregional programme by all appropriate intergovernmental organizations in the subregion, and inclusion thereof in their subregional development plans and programmes;

(v) agreeing on corporate framework of the multinational project including: financing, equity share holding; management of the enterprise once established; supply of requisite raw materials, energy, intermediates, manpower development; the sale of finished products; subcontracts; exchange of information, conducting R & D etc.

(b) Project launching, preparation, promotion and implementation taking into account the need for:

(i) improvement of domestic and subregional manpower capabilities and institutional capacities needed for the identification, preparation and implementation of projects as well as their coordination throughout the subregion;

(ii) strengthening or introducing operational mechanisms for follow-up, including pre-investment studies, investment promotion and project-related consultations with other countries in the subregion;

(iii) establishment and/or strengthening of subregional technical and sub-sectoral committees on a branch-by-branch basis to coordinate, monitor and advise Governments on the selection and implementation of multinational projects in each sub-sector;

(iv) assistance from intergovernmental organizations and development banks in the subregion in the mobilization of financial and other resources, including investment promotion for the implementation of the multinational investment projects;

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(v) strengthening or establishment of operational arrangements, such as multinational corporations or enterprises, linked with corresponding national corporations, for the implementation of a specific project or complex of projects. In this regard, it should be noted that in establishing multinational enterprises aimed at a lasting and effective economic relationship, it may be necessary for each partner, particularly the Governments, to share in the risks and rewards of the enterprises and participate fully in the decision-making at the highest managerial level;

(vi) formation of joint ventures and multinational enterprises;

(vii) involving African chambers of commerce and industry or manufacturers and their associations as well as competent local consulting firms in projects from the very start, and increasing their participation/involvement as the project develops.

(c) Technical assistance from international and intergovernmental organizations to countries, national, multinational, subregional and regional enterprises and institutions hosting second IDDA projects including:

(i) preparation of sub-sectoral studies included in the subregional programme with a view to identifying clusters of economically viable projects integrated with other industrial branches and the economy as a whole;

(ii) preparation of rehabilitation studies on priority projects whose reactivation in the context of the subregional programme might prove economically and financially viable;

(iii) investment promotion and mobilization of finances;

(iv) strategies for acquisition of technology, standardization, quality control, co-production, specialization, subcontracting, marketing.

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270. In order to implement the measures proposed above, a number of policy actions will be required. These are predicated on the assumption that unless the productive capacity of the subregion is enhanced, the volume of trade will suffer. Since the promotion of trade between countries in the subregion has implications for the currency arrangements between member States, it would be desirable to ensure convergence in the compensation mechanisms among the countries of the subregion: a matter that should be considered by the subregional organizations concerned.

271. Institutional measures to effect changes and implement policies and programmes should also include strengthening the secretariats of the relevant intergovernmental organizations, in order to enhance their capabilities in carrying out their various functions, including the following:

(i) gathering, analyzing and disseminating relevant industrial data and information from and to all member States, the private sector, associations, institutions and other bodies in the subregion;

(ii) developing and promoting an effective working relationship among the member countries and co-operating organizations;

(iii) serving as a resource unit for the promotion of subregional industrial projects, providing advice on and assistance in securing investment resources, expansion of markets, acquisition of technology and know-how, and project negotiations within and without the subregion;

(iv) formulating and developing subregional industrial policies and strategies to complement those at the national level;

(v) preparing priority sub-sectoral studies; and,

(vi) identifying, preparing, implementing and following-up projects.

B. Role of Subregional Organisations

272. A number of subregional groupings for Economic and industrial co-operation and integration exists in each of the four sub-regions in Africa. They have an important role to play in the overall formulation and implementation of IDDA subregional programme. To this effect, their activities with regard to IDDA should be coordinated and harmonized with a view to ensuring the effective

implementation of the subregional programme. Having already provided a useful framework in the implementation of the initial industrial subregional promotion programme during IDDA I, their programmes and projects for the industrial sector for the 1990's should derive from the subregional programme of the second IDDA.

273. It would be necessary for these subregional groupings, in particular the lead organizations (ECOWAS/CEAO in West Africa, PTA/SADDC in Southern and Eastern Africa; ECCAS/UDEAC in Central Africa; future PTA/REGIONAL in North Africa) and their secretariats to review their activities and adjust them accordingly. They should equally develop mechanisms for effective monitoring and coordinating of the decade programme. These co-ordination activities should be periodically reported to policy making bodies in the subregion.

C. Role of International Organisations in the implementation of the regional programme

274. The successful promotion of the subregional programme for industrial development calls for the development of human and technological capabilities, the mobilization of financial resources as well as the establishment or strengthening of capabilities to service and augment the industrialization process in the African region. The agencies and organizations of the United Nations system, in particular UNIDO and ECA, in close co-operation with the OAU, ADB and other specialized African organizations can contribute to meeting those requirements and thus help to overcome the acute developmental problems of the region.

275. These organizations could provide technical assistance in the following areas:

(a) Investment promotion; Support to national subregional and regional projects within the context of investment promotion already largely provided by UNIDO; mobilising the investors and financial institutions in the region and elsewhere through the UNIDO network of investment promotion services and during investment promotion fora; extending the investment promotion fora, to include other developing countries in the context of the ADB/ECA initiative for establishing a South-South partnership promotion centre; the elaboration of industrial partners programmes between African countries and enterprises in developed countries; the enhancement of on-the-job training on industrial promotion and country presentation tours to enhance and strengthen the linkages between the region and selected developed countries;

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(b) Institution building, support and training: Implementing existing support projects; making greater use of the UNIDO System of Consultations; improving existing regional vocational training facilities and research centres for testing, standardization, quality control, certification, metrology and for the introduction and dissemination of appropriate technology;

(c) Preparing of pre-investment studies, including investment profiles on selected projects in the region, providing information on such items as: consumption; plant size; raw materials; utilities; technology; investment; manpower and training; probable production cost; project/programme profitability; and potential market(s);

(d) Identifying specific areas and modes of co-operation between countries, as well as between producers and R & D facilities, in implementing the programme for the second Decade;

(e) Establishing a subregional industrial promotion coordinating committee to review and update the subregional integrated industrial promotion programmes, monitor their implementation and co-ordinate the activities of the technical committees;

(f) Developing capabilities related to industrial planning; industrial consultancy; project preparation; procurement of supplies; and support of local entrepreneurs and manufacturers including the creation of associations related to core projects;

(g) Organizing technical consultations, negotiations and investment promotion meetings in specific core sub-sectors. These will include consultation and negotiations between:

  (i) African countries, involving both national financial institutions and local agents of production and distribution;

  (ii) African countries and potential partners from other developing countries through ECDC, TCDC involving potential investors from those countries as well as financial institutions;

  (iii) African States and potential partners from developed countries.

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(h) Assisting African countries in the rehabilitation and expansion of existing multinational projects etc.

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LIST OF PROJECTS FOR: CENTRAL AFRICA

Core projects

On the basis of the above criteria, the following projects were selected as subregional multinational project.

Chemical industries

1. Exploitation of methane gas from Lac Kivu, Zaire/Rwanda
2. Production of phosphate fertilizers, Burundi
3. Establishment of a pharmaceutical plant, Burundi
4. Establishment of Laboratory for pharmaceutical products, Central African Republic
5. Upgrading potash deposits for the manufacturing of chemicals, Congo.
6. Production of calcium carbide, Rwanda
7. Production of active ingredients for pesticides, Rwanda
8. Establishment of a petrochemical complex for the manufacture of plastics, Gabon
9. Improvement of the efficiency and product quality of the petroleum refinery, Congo
10. Production of human vaccines in Central Africa (previously establishment of a pilot plant for making vaccines in Africa), Cameroon
11. Production of insecticides for domestic use, Cameroon
12. Production of urea and ammonia from gas, cameroon
13. Development of the pesticides industry in UDEAC countries, UDEAC

Agro- and agro-related industries

14. Reconversion of the sugar mills of Bom Jesus (previously rehabilitation and extension of the cane sugar industry), Angola
15. Establishment of a distillery, Burundi
16. Community dairy products project, Zaire
17. Creation of an agro-industrial complex processing cassava, Central African Republic
18. Integrated development of the fish-processing industry, CEPGL

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19. Integrated forest products complex (previously Establishment of a wood-processing complex, Zaire), CEPGL

20. Rehabilitation and expansion of the sugar sector, Angola

21. Establishment of a distillery, Sao Tome and Principe

22. Sangmelima wood-processing project and production of particle board, Cameroon/UDEAC

23. Production unit for children's food, Cameroon

24. Establishment of a tannery, Chad (long-term)

25. Development of cattle and fish resources in UDEAC countries, UDEAC

Engineering industries

26. An agricultural machinery project, UDEAC

Building materials industry

27. Reactivation of the Katana cement plant, Zaire

28. Expansion and diversification of production at a glass manufacturing plant, Congo

29. Establishment of a ceramics plant, Burundi

30. Establishment of a cement plant, Chad

31. Plant for the manufacture of flat glass, Cameroon

32. Establishment of a ceramics factory, cameroon

Metallurgical industries

33. Integrated development of the aluminium industry, Cameroon/UDEAC/ECCAS

34. Integrated development of the iron and steel industry in Central Africa (previously reactivation of the Maluku steel plant, Zaire), ECCAS

35. Expansion of a tin plant, Rwanda

36. Integrated development of the iron and steel industry, Cameroon/UDEAC

37. Establishment of a rolling-mill, Congo

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Support projects -

The following twelve support projects have been selected for the subregional programme for the second IDDA:

1. Assistance to the Central African Customs and Economic Union (UDEAC)
2. Assistance to the Central African Republic in the development of an integrated meat-processing industry, Republic of Central Africa
3. Assistance to the Economic Community of the Great Lakes Countries (CEPGL)
4. Development of peat resources, CEPGL
5. Feasibility study on the manufacture of railway equipment in the Central African subregion, UAR
6. Assistance to the Economic Community of Central African States (ECCAS)
7. Assistance to the subregional Higher Institute of Appropriate Technologies (ISTA)
8. Assistance to the African Intellectual Property Organization (AIPO)
9. Multisectoral assistance to the Economic Community of the Great Lakes Countries (CEPGL)
10. Promotion of small-scale agro-food technologies, Burundi
11. Assistance to the Higher National School for agro-food Industries, Cameroon
12. Establishment of a school for geological and mining studies, Cameroon.

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LIST OF PROJECTS
FOR EASTERN AND SOUTHERN AFRICAN SUBREGION

No.	Priority projects (A)	Countries	Date	Status	Sector
1.	Manufacture of diesel engines for tractors, trucks lorries and buses	Zimbabwe	1983	B	Engineering
2.	Manufacture of electric motors	Zambia	1983	B	"
3.	Manufacture of electric transformers	Zambia	1983	B	"
4.	Phosphate fertilizer plant	Uganda	1983	B	Chemical
5.	Production of caustic soda	Kenya/India	1983	B	"
6.	Integrated chlor-alkali and PVC plant	Zimbabwe	1988	C	"
7.	Mbagala sheet glass project	Tanzania	1988	C	"
8.	Cement blending and packaging plant (and extension of the the existing railway line)	Lesotho	1988	B	Building
9.	Edible oil production	Lesotho	1988	B	Agro
10.	Expansion of existing production of pumps for irrigation and rural water supply	Swa/Zim	1991	B	Engineering
11.	Assistance to the African Regional Organization for Standardization (ARSO) and the African Institute for Higher Technical Training Research (AIHTTR)	ARSO-AIHTTR/ ECA/OAU/UNIDO	1983	C	Institution building

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12.	Inventory of subregional training facilities	SADCC	1983	C	Direct support
13.	Managerial and Technical personnel training	SADCC	1983	C	Direct training
14.	Development of local entrepreneurship (Directory of small-scale industrial project profiles	ECA/UNIDO/OAU	1983	C	Direct support
15.	Upgrading of Kenya Textile Training Institute (KTTI) into a subregional training centre	Kenya	1988	C	Institution building
16.	Tanzania Institute of Leather Technology	Tanzania	1988	C	"
17.	Consolidation of the Institute of Cement Technology	"	1988	C	"
18.	Establishment of a pilot and demonstration physical manufacturing facilities at TEMDO	Tanzania	1988	C	Pilot
19.	Programme for standardization, quality control and metrology in IOC countries	IOC			Institution building
20.	Expansion of an existing marine resources training and research centre	IOC/SUBREGION		C	"
21.	Establishment of the Leather and Leather Products Institute (LLPI)	PTA/Ethiopia		C	Agro

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No.	Priority projects (A)	Countries	Date	Status	Sector
22.	Rehabilitation and rationalization of cement mills (second phase)	PTA		C	Building
23.	Initiation of a CAD/CAM demonstration network	"		B	Engineering
24.	Reassessment and updating of a feasibility study on the establishment of a copper products plant for the PTA Market	"			"
25.	PTA programme for production of spare parts "	PTA/ETH/MAW MAU/SOM/TAN UNG/ZAM/ZIM			ENG/02
26.	Pilot unit for small scale industrial waste water treatment	PTA			Environment
27.	Development of capabilities in industrial project identification formulation, appraisal, monitoring and evaluation	PTA/Zimbabwe		C	Housing
28.	Sugar industry training centre	PTA/Mauritius		C	Agro
29.	Training of trainers in testing and quality control in food processing	PTA/Mauritius		C	"
30.	Training and curriculum development of an integrated production Technology management system for the textile industry	PTA/Kenya		C	Agro
31.	Development of Human resources for the petroleum industry	PTA			Agro
32.	Assistance to PTA member states in the promotion of standardization and quality control systems	LES/SWA/RWA			Housing
33.	Subregional co-operation for small and medium scale industry promotion	SOM/DJI/COM			"
34.	PTA industrial information system	PTA			"

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35.	PTA capacity for long-term integrated industrial development programming	PTA		"
36.	Promotion of industrial investment projects through investment fora	PTA		
37.	Rationalization and harmonization of investment codes	PTA		
38.	Establishment of teh PTA metallurgical Technology Centre (MTC)	PTA		Metallurgical
39.	Rationalization and upgrading of iron and steel plants/rolling mills	PTA		Metallurgical
40.	Railway rolling stock, list equipment, hidromechanic and metalo-mechanic products	Mozambique	A	Direct support
41.	Rehabilitation of salt industries	"	B	"
42.	Tannery	Djibouti	B	Direct support
43.	Engineering design and tools centre	Ethiopia	A	Inst.building

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No	Optional projects (B)	Countries	Date	Status	Sector
1.	Upgrading and Diversification of Products from ZISCOSTEEL	Zimbabwe	1983	B	Metallurgical
2.	Ethiopian potash	Ethiopia/Libya	1983	B	Chemical
3.	Production of phosphate fertilizers	Burundi		C	Chemical
4.	Sheet-glass production unit	Madagascar	1983	B	"
5.	Establishment of integrated iron and steel mill	"	1988	B	Metallurgical
6.	Establishment of multinational sponge iron plants in PTA countries	Moz/Tan/Uga/Zan	1988	B	"
7.	Manufacture of low-cost vehicles	Ethiopia	1988	C	Engineering
8.	Establishment of salt refining and packaging plant	Somalia	1988	C	Chemical
9.	Rehabilitation of urea fertilizer plant	Somalia	1988	B	"
10.	Manufacture of carbon black	Kenya	1988	C	"
11.	Rehabilitation of copper oxychloride plant	Zambia	1988	B	"
12.	Rehabilitation of copper oxychloride plant	Zimbabwe	1988	B	"
13	Chrome tanning salts	Zimbabwe	1988	B	"
14.	Production of cement in Indian Ocean Island countries	Madagascar/IOC	1988	B	Building
15.	Establishment of a joint-venture for bicycles assembling	SWA/OMZ	1991	B	Engineering
16.	Expansion of Lesotho Pharmaceuticals factory	Lesotho/PTA	1991	B	Chemical
17.	Improvement of and Development of the cement industry	SADCC	1983	C	Insti.building
18.	Upgrading of Ethiopian Management Institute into a subregional centre	Ethiopia	1988	C	"
19.	Upgrading of Management Training and Advisory Centre (MTAC) into a subregional centre	Uganda	1988	C	"
20.	Establishment of a cement institute at the Murgher cement plant	Ethiopia	1988	C	"
21.	Upgrading the Mogadishu Industrial Vocational Training Centre (IVC) into a subregional centre	Somalia	1988	C	"
22.	Production of spare parts production PTA countries	Ken/Tan/Zim	1988	C	Insti.building
23.	Blankets manufacturing plant in Lesotho				Agro
24.	Manufacture of vaccine by Botswana vaccine	Botswana			"
25.	Tannery Project	Botswana			"
26.	Boral and Bandages	Botswana			"
27.	Survey of raw materials for establishment of a refractory industry				Building
28.	Establishment of essential oils extraction units				Chemical
29.	Metal fabrication unit for the building industry				Engineering
30.	Feasibility study on expansion and development of machine tool production				Engineering
31.	Feasibility study on establishment of an automotive industry				

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No.	Optional projects (B)	Countries	Date	Status	Sector
32.	Establishment of wood processing complex	Mozambique		B	Direct support
33.	Support of SADCC Industry and Trade Co-operation Division	SADCC		A	Insti.building
34.	Standardization and quality control	SADCC		A	"
35.	Engineering Design and Product Development	SADCC		A	Direct support
36.	Establishment of Information Exchange Centre	SADCC		A	insti.building
37.	Development small-medium scale industries (study/workshop)	SADCC		B	Direct support
38.	Research and Development (study)	SADCC		A	"
39.	Management and skills Development	SADCC		B	Direct training
40.	Study on the improvement of the investment climate	SADCC		B	Direct support
41.	A system of Direct Trade Measures including bilateral trade agreements	SADCC		B	"
42.	General System of Preference study	SADCC		A	"
43.	Trade Directory	SADCC		B	"
44.	Participation of SADCC firms in SADCC projects	SADCC		B	"
45.	Exchange of information and strengthening of co-ordination facilities	IOC		B	Inst.building

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LIST OF PROJECTS FOR NORTH AFRICA

No. Denomination Core projects	Countries	Sector
1. Establishment of sugar mills	Sudan	Agro
2. Establishment of a paper factory	Sudan	Agro
3. Establishment of a Spinning mill	Tunisia/Libya	Textile
4. Establishment of the port Sudan Cement	Sudan	Building
5. Manufacture of marble tiles	Sudan/Egypt	Building
6. Establishment of tractor	Sudan/Egypt	Engineering
7. Expansion of the diesel engine manufacturing plant	Tunisia/Egypt	Engineering
8. Manufacture of refrigerator compressors	AIDMO	Engineering

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9. Establishment of food industries	Libya/Morocco	Agro
10. Production of vegetable oil	Sudan/Tunisia/ Algeria/Morocco/ AIDMO	Agro
11. Production of find cotton yarn	Sudan/AIDMO/ Tunisia/Morocco/ Algeria	Textile
12. Nafta el-oued brick making plant	Algeria/Tunisia	Building
13. Establishment of pharmaceutical industries	Libya/Morocco	Chemical
14. Production of urea nitrate	Libya/Tunisia	Chemical
15. Production of phosphate fertilizers	Sudan/Tunisia	Chemical
16. Production of nitro-phosphates	Algeria/Tunisia	Chemical
17. Production of petro-chemical products	Algeria/Tunisia	Chemical
18. Production of chemical Products	Algeria/Tunisia	Chemical

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19. Manufacture of household washing machines	Algeria/Libya	Chemical
20. Production of passenger cars and utility vehicles	Algeria/Libya	Engineering
21. Production of gear boxes for automobiles	Algeria/Libya	Engineering
22. Production of high-grade diesel engines for tractors and trucks	Algeria/Libya	Engineering
23. Production of light vehicles for desert use	Algeria/Libya	Engineering
24. Aluminium complex electrolytic process	Algeria/Libya	Engineering
25. Production of lorries	Libya/Tunisia	Engineering
26. Production of high-tension electrical transformers	Algeria/Tunisia	Engineering
27. Production of machinery for sheet metal work	Algeria/Tunisia	Engineering
28. Production of textile machinery	Algeria/Tunisia	Engineering

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29. Production of machinery for processing plastics	Algeria/Tunisia	Engineering
30. Production of thermostats, evaporate sheets, heat exchanger cooking stoves, micromotors, TVS, cathodic tubes and printed circuits	Algeria/Tunisia	Engineering
31. Production of pistons, gudgeon pins, casings, sleeves bearings and transmission chains	Algeria/Tunisia	Engineering
32. Rehabilitation of a cement factory	Morocco/Algeria	Building
33. Expansion of fish-processing factories	Mauritania/Algeria	Agro
34. Joint project for the production of graphite electrodes	AIDMO/Algeria	Engineering
35. Production of electric control panels	Algeria/Libya	Engineering
36. Establishment of sheet glass production unit	Algeria/Maghreb	Chemical
37. Establishment of a meat processing centre	Mauritania/Maghreb	Agro

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Support projects

1. Development of local entrepreneurship (Directory of small-scale industrial project profiles)	Subregion
2. Promotion of the food processing industry in North Africa	Subregion
3. African Regional Centre for Genetic Engineering	Subregion
4. Joint Tunisian/Lybian Company for industrial maintenance and assembly	Tunisia/Libya
5. Study on the promotion of capital goods manufacture in North Africa	Subregion
6. Technical studies on the promotion of subregional co-operation in the fish processing industry	Subregion
7. Technical studies on promotion of a subregional marine repair and and maintenance industry	Subregion
8. Technical studies related to industrial pollution	Subregion
9. Sub-regional consultations on specific sectors	Subregion

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10.	Assistance to the development of Maghreb capabilities in industrial consulting and engineering	Maghreb
11.	Studies on co-operation of Maghreb countries with other regional and subregional organizations	Maghreb
12.	Harmonization of regulations and incentives for the promotion of industrial investment	Maghreb
13.	Establishment of a Maghreb Industrial Information Network	Maghreb/Egypt/ Sudan
14.	Assistance to the development of UMA sectoral planning capabilities	Maghreb
15.	technical and marketing assistance to the manufacture of gears and reduction gears.	Morocco/Tunisia

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LIST OF PROJECTS FOR: WEST AFRICA

Core projects

Metallurgical industry

Iron and steel subprogramme

1. Establishment of a sponge iron plant (long term)
2. Installation of electric arc furnace plants in the subregion (long term)
3. Installation and expansion of re-rolling mills in the subregion (long term)
4. Establishment of an integrated iron and steel plant for flat and tubular products (long term)
5. Exploitation of the Nimba mountains, Guinea and Liberia (short term)

Non-ferrous metals subprogramme

6. Processing of bauxite and alumina, Ghana (medium term)

Engineering industry

Agricultural machinery and equipment subprogramme

7. Manufacture of agricultural tools and implements, Sierra Leone (short term)
8. Manufacture of agricultural implements and equipment, Nigeria (long term)
9. Production of mobile mini palm-oil mills, Mano River Union (short term)
10. Manufacture of four-wheeled tractors, Senegal (medium term)
11. Manufacture of diesel engines for irrigation pumps and generators, Guinea (medium term)
12. Manufacture of irrigation pumps, Senegal (medium term)

Road and rail transport equipment subprogramme

13. Manufacture of railway wagons, Burkina Faso with a subsidiary plant in Senegal (medium term)
14. Establishment of a central press workshop, Oshogbo, Nigeria (short term)
15. Manufacture of diesel-engines for tractors, trucks, lorries and buses, Nigeria (long term)
16. Manufacture of diesel engine-mounted chassis for lorries, trucks and buses, Nigeria (short term)

Energy equipment

17. Manufacture of hurricane lamps, Senegal (short term)
18. Manufacture of aluminium conductors and cables, Ghana (long term)

19. Manufacture of steel towers, Nigeria (long term)

Fertilizer subprogramme

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20. Establishment of a phosphoric acid plant, Togo (short term)
21. Subregional ammonia and urea project, Côte d'Ivoire (long term)
22. Establishment of a subregional phosphate fertilizer industry, Liptako-Gourma (short term)
23. Extension and rehabilitation of the phosphoric acid and fertilizer plants, Senegal (short term)

Pharmaceuticals subprogramme

24. Reactivation of the Matoto pharmaceutical plant, Guinea (short term)
25. Rehabilitation of the Seredu station, Guinea (short term)
26. Establishment of a pharmaceutical plant, Nigeria (short term)

Basic chemical subprogramme

27. Tidekelt salt project, Niger (short term)
28. Expansion of salt/soda production plant, Mano River Union (short term)

Agro-and agro-based industries

Food-processing subprogramme

29. Integrated complex for poultry production, Liberia (short term)
30. Plants for the industrial processing of millet and sorghum, Niger and Nigeria (short term)
31. Manufacture of village mills for millet and sorghum, Niger and Nigeria (short term)
32. Food-processing plant, Guinea (short term)
33. Rehabilitation and expansion of Mamou agro-industrial company (SAIG), Guinea (short term)
34. Establishment of a plant for processing kinkelibah and other similar plants, Senegal (short term)
35. Exo-pulp (frozen fruit), Guinea (medium term)

Forest industries subprogramme

36. Establishment of pulp and paperboard factory, Côte d'Ivoire (medium term)
37. Manufacture of cotton wool, dressings and sanitary products, Senegal (short term)
38. Promotion of pulp and paper industry in MRU, Sierra Leone (medium term)

Building materials industry

Cement and ceramics subprogramme

39. Establishment of a subregional cement factory in the Liptako-Gourma region (short term)
40. Establishment of a ceramics factory, Togo (short term)

Non-metallic mineral products subprogramme

41. Manufacture of glass containers, Liberia (short term)
42. Manufacture of glass containers, CEAO member States (medium term)
43. Wassou glassworks, Guinea (long term)

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SUPPORT PROJECTS

ARCEDEM

S1. Assistance to ARCEDEM

ARCT

S2. Assistance to ARCT

CEAO

S3 Assistance to CEAO

ECOWAS

S4. Assistance to ECOWAS
S5 Assistance to ECOWAS in the development of an industrial training programme
S6. Development of industrial consultancy and management capabilities, ECOWAS

LGA

S7. Assistance in the promotion of an integrated industrial development plan for the Liptako-gourma region

MRU

S8 Establishment of an industrial and technology fair serving the Member States of the Mano river Union
S9. Establishment of a Mano River Union financing institution
S10. Processing of fish and other sea foods

Nigeria

S11. Subregional development centre for hides, skins, leather and leather products (Leather Research Institute, Zaria, Nigeria)

NNJC

S12. Assistance to NNJC

OMVS

S13. Assistance to OMVS

Togo

S14. Togolese National Centre for Technology Development

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Benin

S15. Industrial maintenance center

Guinea

S16. Guinea pilot centre
S17. Use of plant material in the building sector, Togo.